

Frequently Asked Questions About

American Casualty Reinsurance of Delaware LLC, in Liquidation ("ACRE")

1. What is a Liquidation Proceeding?

When an insurance company is impaired, insolvent, in unsound condition, or its further transaction of insurance would be hazardous to its creditors, the Delaware Insurance Code authorizes the Insurance Commissioner of the State of Delaware to ask the Court of Chancery of the State of Delaware for an Order directing the Commissioner to liquidate the insurance company.

A Liquidation Order directs the Commissioner, in his capacity as Receiver, to: (i) take or maintain exclusive possession and control of the property and assets of the insurer, (ii) liquidate its business; and (iii) deal with the property and business in the name of the Commissioner or the name of the company.

2. Who is in charge of ACRE during the Liquidation Proceeding?

The Receiver is in charge of ACRE during the Liquidation Proceeding. On January 7, 2025, the Court signed a Liquidation and Injunction Order appointing the Commissioner as Receiver of ACRE.

The Receiver has appointed Gene T. Reed as the Deputy Receiver to carry out the responsibilities of the Receiver with respect to the liquidation of ACRE. The Deputy Receiver will appoint other persons to assist him in the Liquidation Proceedings. Only persons appointed by the Receiver or Deputy Receiver to assist in liquidating ACRE will have authority to act on behalf of ACRE.

3. Why was ACRE placed into Liquidation?

On January 7, 2025, the Court of Chancery of the State of Delaware found that ACRE is in unsound condition and had been operated in such a manner as to render ACRE's further transaction of insurance presently or prospectively hazardous to its creditors and SCICs, and that it may be impaired, and therefore, ordered ACRE liquidated.

4. What do I do if I have a claim against ACRE?

If you have a claim against ACRE and wish to pursue that claim, you must file a proof of claim by the Bar Date of **February 16, 2026**, for your claim to be considered in one of the priority classes. If you intend to file a claim, the Receiver strongly suggests that you file a proof of claim form as early as possible in the ACRE estate.

5. Am I required to file a proof of claim by the Bar Date of February 16, 2026?

If you fail to file a properly completed, timely proof of claim in the ACRE estate, you might be disqualified from participating in a higher priority class or from receiving distributions of assets that might eventually become available for your class of claims.

6. How do I file a proof of claim in the ACRE estate?

A proof of claim must be submitted by the Bar Date, which is **February 16, 2026**. Claims submitted after that date are considered late filed and are assigned to a lower Priority Class.

The proof of claim form is enclosed, along with a set of instructions. Copies of both documents are also posted on the website at the link referenced in these FAQs. All proof of claim forms must be signed and notarized, and the original signatures of the claimant and notary must be submitted to the Deputy Receiver at the address on the proof of claim form. Proofs of claim cannot be submitted electronically or by facsimile. Documents that support your claim must be attached to the proof of claim. Please answer all applicable questions on the proof of claim form. Missing information will slow the processing of your claim.

Additionally, you should submit a separate proof of claim form for each claim that you have against ACRE.

The Receiver strongly encourages all potential claimants to submit their proofs of claim as soon as possible to avoid a claim being considered untimely filed after the **February 16, 2026**, Bar Date.

7. What happens to my claim against ACRE?

The Liquidation and Injunction Order includes injunctions against certain conduct. Please read the Liquidation and Injunction Order carefully as there are penalties for violations of the injunctions.

No proceedings against ACRE can be brought except in the Liquidation Proceedings of ACRE in the Court of Chancery of the State of Delaware. This is a permanent stay.

8. I am an Owner/Insured of an SCIC reinsured by ACRE. Is there a fund to assume payment of indemnity and expense associated with any claims or lawsuits against me?

No. ACRE was a captive insurance company and state insurance insolvency guaranty funds are not available for captive insurance companies.

9. How do I obtain any return premium that I believe I am due as the result of the cancellation of my insurance contract with ACRE?

Any return premium that you claim is owed to you as an ACRE insured as the result of the cancellation of an insurance contract prior to its stated expiration date is a claim against the general assets of the ACRE estate and should be submitted, and will be determined and paid, in accordance with the proof of claim process and the Delaware priority statute at 18 *Del. C.* §5918(e).

10. How and when are claims against ACRE determined and paid?

As a result of the entry of the Liquidation and Injunction Order, ACRE is not able to pay its claims at this time. Over time the Receiver will liquidate the assets of ACRE and evaluate the claims against the ACRE estate. Once the Receiver has concluded the claim evaluations, the Receiver will make recommendations to the Court. Once the process of liquidating the assets and determining the liabilities of the estate has been completed, the remaining available assets will be distributed to classes of claimants in the priority order established in the Delaware statute at 18 *Del. C.* §5918(e).

11. What happens to my service contract with ACRE?

The Liquidation and Injunction Order enjoins any vendor or other party under any contract from proceeding to act for or on behalf of ACRE or from binding ACRE without the express written authorization from the Deputy Receiver or the Receivership Court. You **might** be authorized to continue providing services under your contract **if** the Deputy Receiver determines that it is advisable for the estate to authorize you to do so. Without the express written authorization of the Deputy Receiver, no vendor or other contracting party may take any action concerning the Assets, business, or affairs of ACRE.

12. Whom can I contact if I have a question regarding ACRE and/or the Liquidation Proceeding?

You can call (302) 483-7170 or write to:

**AMERICAN CASUALTY REINSURANCE OF DELAWARE LLC, IN
LIQUIDATION
1 Righter Parkway
Suite 280
Wilmington, DE 19803-1555
Telephone No. (302) 483-7170
Email address: CaptiveReceiver@Adelrlb.com**

Additional information regarding the ACRE receivership will be posted from time to time under the link for ACRE at:

https://insurance.delaware.gov/divisions/rehab_bureau/

(Please note that there is an underline between the words “rehab” and “bureau” in the website address.)

Revised: January 30, 2025