

JACOBS AND DIEMER, P.C.
THE GUARDIAN BUILDING
500 GRISWOLD ST., SUITE 2825
DETROIT, MI 48226
TIMOTHY A. DIEMER

Reliance Insurance Company (in Liquidation) Notice of Determination

Cause No.: 1 REL 2001

06-29-2012

JACOBS AND DIEMER, P.C.
THE GUARDIAN BUILDING
500 GRISWOLD ST., SUITE 2825
DETROIT, MI 48226
TIMOTHY A. DIEMER

Re:	Proof Of Claim No.:	1911482
	Reliance Policy/Contract No.:	NSA0134164
	Insured Name:	DTE ENERGY COMPANY
	Reliance Claim No.:	98108991
	Date of Loss:	07/26/1998
		DTE ENERGY COMPANY
		2000 SECOND AVENUE, 825 WCB
		DETROIT, MI 48226

AMENDED NOTICE OF DETERMINATION

This notice is provided to advise you of the Statutory Liquidator's amended determination of the above-referenced claim and this supercedes any prior Notice of Determination that you have received. If you have other claims against the estate for which you have filed a separate Proof of Claim or you have previously been advised that your Proof of Claim stated multiple claim types and has been separated, you will receive a notice for each of these claims at the time that they are evaluated. This amended Notice of Determination applies only to the Proof of Claim referenced above.

Section 544 of the Insurance Department Act (40 P.S. Section 221.44) establishes the level of priority to be assigned to a claim against the estate of a liquidated company, including Reliance.

Priority Level (b) has been assigned to the above referenced claim in accordance with the provisions of section 544.

Your claim against the Estate of Reliance has been valued and allowed in the amount of \$ 273,233.00.

The amount above represents our recent agreement.

- This Notice of Determination is issued pursuant to our recent agreement.

If you accept this determination of your claim, no action is necessary. A copy of applicable provisions of relevant Commonwealth Court Orders regarding disputed claims is enclosed. You must follow the procedures set forth in the relevant Orders if you wish to object to this determination. A complete copy of all case management Orders are posted on the Internet at www.reliancedocuments.com. Other procedures governing objections to this notice of determination can be found in Article V of the Insurance Department Act of 1921 (40 P.S. Sections 221.1 et seq.). Please reference the Reliance Proof of Claim number, Reliance Cause number, and Reliance Claim number listed above in any correspondence or pleadings related to this notice.

Evaluated by: JONES, DOUG Phone #: (215) 864-4025

PLEASE NOTE: YOU HAVE THE DUTY TO KEEP THE STATUTORY LIQUIDATOR INFORMED OF ANY CHANGE OF ADDRESS (40 P.S. SECTION 221.24(G)). FAILURE TO PROVIDE A CHANGE OF ADDRESS TO THE *PROOF OF CLAIM DEPARTMENT, STATUTORY LIQUIDATOR OF RELIANCE INSURANCE COMPANY, P.O. BOX 13527, PHILADELPHIA, PA 19101-3527* MAY RESULT IN THE LOSS OF ANY DISTRIBUTION TO WHICH YOU ARE ENTITLED.

General Information Regarding the Liquidation Process

Once assets and liabilities of the Reliance Estate are sufficiently determined, the Statutory Liquidator will recommend to the Commonwealth Court of Pennsylvania ("Court") that the Reliance assets be distributed to claimants with allowed claims approved by the Court. The amount of distribution will be calculated as a percentage of the amounts allowed by the Statutory Liquidator. A first interim distribution of 20% was approved by the Court on January 17, 2008 and a second interim distribution approved by the Court increased the distribution to 30%. The ultimate distribution percentage will not be known until all assets are recovered and all liabilities are determined. This process can take many years to complete, depending on the complexity of the matters of the estate. Should you have any questions about your claim or about the liquidation procedure, please feel free to write to the Statutory Liquidator (Proof of Claim Department) at the address shown above.

Classification of Priority Levels of Claims

The priority levels of claims filed against the estate of a company in liquidation are defined in section 544 of the Insurance Department Act (40 P.S. Section 221.44), which are summarized as follows:

- (a) The costs and expenses of administration, including but not limited to the following: the actual and necessary costs of preserving or recovering the assets of the insurer; compensation for all services rendered in the liquidation; any necessary filing fees; the fees and mileage payable to witnesses; reasonable attorney's fees; the expenses of a guaranty association in handling claims
- (b) All claims under policies for losses wherever incurred, including third party claims, and all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which are not under policies, shall have the next priority. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to his employee shall be treated as a gratuity
- (c) Claims of the Federal government other than those claims included in subsection (b).
- (d) Debts due to employees for services performed to the extent that they do not exceed one thousand dollars (\$1,000) and represent payment for services performed within one year before the filing of the petition for liquidation. Officers and directors shall not be entitled to the benefit of this priority. This priority shall be in lieu of any other similar priority which may be authorized by law as to wages or compensation of employees.
- (e) Claims under nonassessable policies for unearned premium or other premium refunds and claims of general creditors.
- (f) Claims of any state or local government. Claims, including those of any governmental body, for a penalty or forfeiture shall be allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under subsection (h)
- (g) The following claims:
 - (1) Claims under section 221.39(b), to the extent that such claims were disallowed under that section.
 - (2) Claims filed late.
 - (3) Claims or portions of claims, payment of which is provided by other benefits or advantages recovered by the claimant
- (h) Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies shall be limited in accordance with law.
- (i) The claims of shareholders or other owners.

**SELECTED PARAGRAPHS OF THE 12-12-08 AND 5-19-11 COMMONWEALTH COURT ORDERS
REGARDING OBJECTIONS TO A NOTICE OF DETERMINATION**

Both Orders are available at www.reliancedocuments.com under Case Management Orders.

12-12-08 Order

4. The Liquidator shall provide the NOD to the creditor and, if represented, to their representative or attorney (collectively, where appropriate, "Claimant") by first-class mail, at the address shown in the POC, unless a change of address is provided to the Liquidator subsequent to the filing of the POC. The Claimant bears the burden of notifying the Liquidator of any change in address. Such change of address should be mailed to the Proof of Claim Department, Reliance Insurance Company, P.O. Box 13527, Philadelphia, PA 19101-3527.

5. If a Claimant disputes the NOD, in whole or in part, the Claimant, shall, within sixty (60) days from the mailing date shown on the NOD, file an objection ("Objection") in Commonwealth Court. The Objection shall state the factual and legal basis for the objection, attach relevant supporting documentation, and attach the NOD.

6. The Claimant shall provide a copy of the Objection to the Statutory Liquidator of Reliance Insurance Company by first-class mail at P.O. Box 13527; Philadelphia, PA 19101-3527. The Claimant shall not submit a courtesy copy of the Objection to the judge's office.

7. IF A CLAIMANT DOES NOT SUBMIT AN OBJECTION TO THE COURT WITHIN THE TIME REQUIRED, THE CLAIMANT MAY NOT THEREAFTER OBJECT TO EITHER THE PRIORITY OR AMOUNT OF THE LIQUIDATOR'S NOD.

8. Upon receipt of an Objection, the Liquidator shall promptly contact the Claimant and attempt to resolve the Objection. The Liquidator may, in his discretion, provide the Claimant with a written Response to the Objection and any such Response shall be provided within thirty (30) days of receiving the Objection, unless the parties agree in writing to extend the deadline or the Court orders otherwise. The Liquidator is not required to file this Response with the Court but shall submit a copy of the Response to the Referee if one is appointed to adjudicate the Objection pursuant to paragraph 9 below.

9. If an Objection cannot be resolved, the Liquidator or the Objector shall, as soon as practicable, petition the Court for the appointment of a Referee to adjudicate the Objection.

19. All individual Objectors and their attorneys appearing before a Referee must comply with Pennsylvania law and the Pennsylvania Rules of Civil Procedure, as applicable. All entity Objectors, including, *inter alia*, corporations, unincorporated associations and partnerships, must be represented by counsel, and may not appear *pro se*. . . . Individual Objectors may appear *pro se*. All counsel representing either an individual Objector or an entity Objector, who is not admitted to practice law in this Commonwealth, must be duly admitted to practice *pro hac vice* before this Court in accordance with Pa. R. Civ. P. No. 1012.1, Pa. B.A.R. 301 and Pennsylvania IOLTA Regulation 81.505.

(b) This Court may dismiss Objections of any Objector whose counsel fails to comply with this Paragraph.

5-19-11 Order

4. New ancillary matters [including objections to notices of determination] filed after the date of this Order shall be assigned a new REL docket number, and the Chief Clerk shall notify the parties of the new docket number.

6. . . . the party initiating the ancillary matter shall complete a cover sheet substantially in the form set forth in Exhibit 3 and file it with the Chief Clerk. (You will need to go to <http://www.reliancedocuments.com/pdfs/2723.pdf> to review the required cover sheet).