

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

THE HONOURABLE MR.) TUESDAY, THE 3RD DAY
)
JUSTICE LEDERMAN) OF AUGUST, 2010



**IN THE MATTER OF
RELIANCE INSURANCE COMPANY**

**AND IN THE MATTER OF THE
INSURANCE COMPANIES ACT, S.C. 1991, C.47, AS AMENDED**

**AND IN THE MATTER OF THE
WINDING-UP AND RESTRUCTURING ACT, R.S.C. 1985, C.W-11, AS AMENDED**

BETWEEN:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

RELIANCE INSURANCE COMPANY

Respondent

**ORDER
(Call for Policy Loss Claims)**

THIS MOTION made by KPMG Inc., liquidator (“Liquidator”) of the insurance business in Canada of Reliance Insurance Company (“Reliance Canada”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report of the Liquidator dated July 26, 2010 (“Report”), filed, and upon hearing the submissions of the lawyers for the Liquidator, no other party appearing, although properly served as appears from the proof of service, filed:

1. **THIS COURT ORDERS** that the service made of the Notice of Motion and supporting materials herein is good and sufficient notice of this motion, that this motion is properly returnable today, and that any further service or notice of the Notice of Motion and supporting materials be and the same is hereby dispensed with.

2. **THIS COURT ORDERS** that, under Section 74 of the *Winding-up and Restructuring Act*, December 17, 2010 is hereby fixed as the last day on or before which policyholders, insureds or other claimants with claims, whether existing, certain or uncertain, new, future, contingent, known or unknown, matured or not matured, reported or unreported, and liquidated or unliquidated, under or arising out of policies issued by Reliance Canada (“Policy Loss Claims”), may send in such claims.

3. **THIS COURT ORDERS** that, on or before August 17, 2010, the Liquidator shall cause:

- (i) a copy of the package, substantially in the form attached as Schedule “K” to the Report, to be sent by ordinary mail to (a) the policyholders of occurrence-based policies written by Reliance Canada, other than those described in subparagraph (ii) below, and (b) the Liability Reinsureds (as defined in the Report), at the last known address of each such policyholder and Liability Reinsured as shown on the books and records of Reliance Canada;
- (ii) a copy of the package, substantially in the form attached as Schedule “L” to the Report, to be sent by ordinary mail to the policyholders of occurrence-based

policies of Reliance Canada written through Family Underwriting Management Limited (“FUML”), as further described in the Report, at the last known address of each such policyholder as shown on the books and records of FUML;

- (iii) a copy of the package, substantially in the form attached as Schedule “M” to the Report, to be sent by ordinary mail to the brokers or managing general agents that brokered or managed insurance programs for Reliance Canada’s business, at the last known address of each such broker or managing general agent as shown on the books and records of Reliance Canada; and
- (iv) a copy of the package, substantially in the form attached as Schedule “N” to the Report, to be sent by ordinary mail to the policyholders, insureds or claimants, or representatives as the case may be, with Open Claims (as defined in the Report), at the last known address of each such policyholder, insured, claimant or representative as shown on the books and records of Reliance Canada.

4. **THIS COURT ORDERS** that the Liquidator shall cause:

- (i) a notice substantially in the form of Schedule “O” to the Report (the “General (English) Publication”) to be published in the national edition of *The Globe and Mail* and in *The Toronto Star* once on or before September 10, 2010 and once after September 30, 2010 but on or before November 10, 2010;
- (ii) a notice substantially in the form of Schedule “O” to the Report as translated into French (the “General (French) Publication”) to be published in *La Presse* once on

or before September 10, 2010 and once after September 30, 2010 but on or before November 10, 2010

- (iii) a notice substantially in the form of Schedule "P" attached to the Report (the "FUML Publication") to be published in *The Vancouver Sun*, on or before September 10, 2010;
- (iv) the General (English) Publication, General (French) Publication and FUML Publication to be published in the *Canada Gazette* and the official Gazette of each of the Provinces, on or before November 10, 2010;
- (v) the General (English) Publication, the General (French) Publication and the FUML Publication to be posted on the website www.relianceinsurane.ca on or before August 17, 2010;
- (vi) the General (English) Publication, General (French) Publication and the FUML Publication to be published in the *Canadian Underwriter* on or before September 15, 2010.

5. **THIS COURT ORDERS** that the Liquidator shall send by ordinary mail, e-mail or by fax transmission a copy of the General Proof of Claim Package or the FUML Proof of Claim Package, as the case may be, to anyone making a request for such on or before December 17, 2010, at the mailing address, e-mail address or fax number, as the case may be, provided by the requesting party, within seven (7) business days of the request being received by the Liquidator.

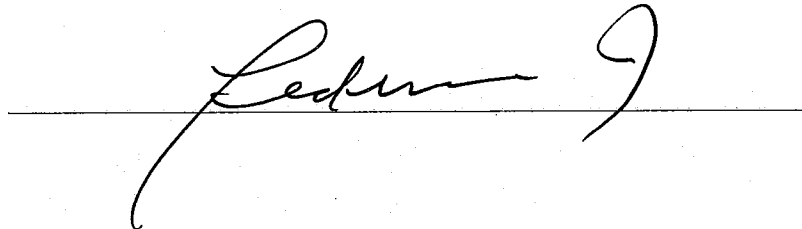
6. **THIS COURT ORDERS** that a Policy Loss Claim shall be considered to have been sent in in accordance with this Order and Section 74 of the *Winding-up and Restructuring Act* only if:

- (i) the Policy Loss Claim has been sent in, by ordinary mail, on the Proof of Claim for Policy Loss Claim form (“POC”) as contained in the packages above-referenced, and in accordance with the “Instructions for Completion of the Proof of Claim for Policy Loss Claim” contained therein;
- (ii) such POC has been postmarked no later than midnight, December 17, 2010; and
- (iii) the person or entity submitting such POC has either (a) received an Acknowledgment of Filing, substantially in the form attached as Schedule “Q” to the Report, within one month of sending in the POC, or (b) notified the Liquidator in writing, within 6 weeks of sending in the POC, of non-receipt of such Acknowledgment of Filing.

For greater certainty, if a person submitting a POC has not received an Acknowledgement of Filing within one month of submitting the POC to the Liquidator, and has not, within 6 weeks of submitting the POC to the Liquidator, notified the Liquidator in writing of the non-receipt of such Acknowledgment of Filing, the POC shall be deemed for all purposes not to have been sent in or filed.

7. **THIS COURT ORDERS** that this Order has no application to any claim that may be asserted by the Liquidator of Reliance Insurance Company in the winding-up of Reliance Canada.

8. **THIS COURT ORDERS** that the allowance, disallowance, appeal, and/or claims determination procedures in respect of any Policy Loss Claims that may be filed pursuant to the call for Policy Loss Claims directed by this Order shall be as determined by this Court upon further motion of the Liquidator.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 03 2010

PER / PAR: 

**THE ATTORNEY GENERAL OF
CANADA**

Applicant

RELIANCE INSURANCE COMPANY

and

Respondent

Commercial List Court File No: 01-CL-4313

**ONTARIO
SUPERIOR COURT OF JUSTICE
– COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Call for Policy Loss Claims)**

**GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7**

Graham D. Smith LSUC# 26377D

Tel: (416) 597-4161

Fax: (416) 979-1234

Lawyers for KPMG Inc.,
Liquidator of Reliance Insurance Company –
Canadian Branch