#### IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

WCC No. 2002-0676

#### DALE REESOR

Petitioner

VS.

FILED

MONTANA STATE FUND

JUN - 3 2005

Respondent/Insurer.

OFFICE OF WORKERS' COMPENSATION JUDGE HELERIA MONTANA

#### ANSWER OF RELIANCE INSURANCE COMPANY (IN LIQUIDATION) TO SUMMONS AND NOTICE OF ATTORNEY FEE LIEN

Reliance Insurance Company (In Liquidation) (which includes Reliance Insurance Company and each of the following former subsidiaries previously merged into Reliance Insurance Company: Reliance Direct Insurance Company, Reliance Universal Insurance Company, Reliance National Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company, hereafter collectively "Reliance") files the following answer to the Summons and Notice of Attorney Fee Lien and attached Notice of Common Fund Attorney Fee Lien sent to each of the above entities, attached hereto as Exhibit "A".

- l. On October 3, 2001, by Order of the Commonwealth Court of Pennsylvania, Reliance was declared insolvent and placed into liquidation. See Order of the Commonwealth Court of Pennsylvania, attached hereto as Exhibit "B", hereinafter "The Liquidation Order".
- 2. As set forth in paragraph 27 of the Liquidation Order, the following former subsidiaries which were identified in the Summons, were previously merged into Reliance and are also included in the Liquidation Order: Reliance Direct Insurance Company, Reliance

- Universal Insurance Company, Reliance National Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company.
- 3. By virtue of the Liquidation Order, since October 3, 2001, Reliance is enjoined from transacting any business, including paying any claims. See Liquidation Order ¶ 27.
- 4. By virtue of the Liquidation Order, since October 3, 2001, no lien, judgment or garnishment can be obtained against Reliance. See Liquidation Order ¶ 21.
- 5. By virtue of the Liquidation Order, since October 3, 2001, no action at law or in equity can be brought against Reliance and any actions existing as of that date shall be stayed as to Reliance. See Liquidation Order ¶ 22.
- 6. Any claim against Reliance's Estate should be submitted in accordance with the Proof of Claim procedures and requirements set forth at www.reliancedocuments.com.
- 7. Therefore, Reliance Insurance requests that these proceedings, including the Common Fund Attorney Fee Lien which is claimed by counsel for Petitioner Reesor in his Notice of Common Fund Attorney Fee Lien dated January 18, 2004 be dismissed or, in the alternative, stayed as to Reliance.

Dated: Jure 3 2005

Gail M. Burgess

Vice President, Associate General Counsel Reliance Insurance Company (In Liquidation)

Three Parkway

Philadelphia, PA 19102

On behalf of Reliance Insurance Company (In Liquidation)

#### IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

DALE REESOR,

Petitioner,

WCC No. 2002-0676

v.

MONTANA STATE FUND.

Respondent

#### **CERTIFICATE OF SERVICE**

I, Gail M. Burgess, Vice President and Associate General Counsel of Reliance Insurance Company (In Liquidation), on behalf of Reliance Insurance Company (In Liquidation), do hereby certify that on the 3<sup>rd</sup> day of June, 2005, a copy of the Answer of Reliance Insurance Company (In Liquidation) to Summons and Notice of Attorney Fee Lien was served upon the Workers' Compensation Court and Attorney for the Respondent by mailing a true and correct copy of said document to the address listed below:

Ms. Patricia J. Kessner Clerk of Court Workers' Compensation Court 1625 11<sup>th</sup> Avenue Helena, MT 59624

Thomas J. Murphy
Murphy Law Firm
P.O. Box 3226
Great Falls, MT 59403-3226

Dated: June 3, 2005

Via Fax (406) 444-7798 and UPS Next Day Air

Via Fax (406) 452-2999 and U.S. Mail

Gail M Burgess

Vice President, Associate General Counsel Reliance Insurance Company (In Liquidation)

Three Parkway

Philadelphia, PA 19102

Telephone: (215) 864-4000 Facsimile: (215) 864-4141

On behalf of the Statutory Liquidator of

Reliance Insurance Company

## Exhibit A

#### IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

WCC No. 2002-0676

DALE REESOR

**Petitioner** 

FILED

VS.

APR 2 2 2005

**MONTANA STATE FUND** 

Respondent/Insurer.

OFFICE OF WORKERS' COMPENSATION JUDGE HELENA, MONTANA

#### SUMMONS AND NOTICE OF ATTORNEY FEE LIEN

The State of Montana to the following Insurers and Self-Insureds:

BEATRICE COMPANIES INC MARKEL INSURANCE COMPANY AMERICAN COMMERCE INS CO ALLMERICA FINANCIAL ALLIANCE INS CO HANOVER INSURANCE CO LUMBER MUTUAL INSURANCE CO AMERICAN MUTUAL INS CO OF BOSTON AMERICAN MUTUAL LIABILITY INS CO ELECTRIC INSURANCE CO HARTFORD FIRE INSURANCE CO AMERICAN CENTRAL INS CO NORTHERN ASSURANCE CO OF AMERICA EMPLOYERS FIRE INSURANCE CO HOUSTON GENERAL INSURANCE CO CAMDEN FIRE INSURANCE ASSOCATION ONE BEACON AMERICA INSURANCE CO TRADERS & GENERAL INS CO AMERICAN EMPLOYERS INSURANCE CO PENNSYLVANIA GENERAL INSURANCE CO ONE BEACON INSURANCE COMPANY LEXINGTON INSURANCE COMPANY HOMESITE INSURANCE COMPANY LIBERTY INSURANCE CORP LM PERSONAL INSURANCE COMPANY LM PROPERTY & CASUALTY INSURANCE CO WAUSAU BUSINESS INSURANCE CO LIBERTY MUTUAL FIRE INSURANCE CO LM INSURANCE CORPORATION FIRST LIBERTY INSURANCE CORPORTION LM GENERAL INSURANCE COMPANY

SEATON INSURANCE CO STONEWALL INSURANCE COMPANY METROPOLITAN DIRECT PROP & CAS INS METROPOLITAN GENERAL INS CO ECONOMY PREFERRED INS CO **ECONOMY PREMIER ASSURANCE CO ECONOMY FIRE & CASUALTY CO** PROVIDENCE WASHINGTON INS CO YORK INSURANCE COMPANY FACTORY MUTUAL INS CO INTERNATIONAL INSURANCE CO NORTH AMERICAN SPECIALTY INS CO NORTH AMERICAN ELITE INSURANCE ATLAS ASSURANCE CO OF AMERICA LIBERTY MUTUAL INSURANCE CO **CORE INSURANCE COMPANY** ALEA NORTH AMERICA INSURANCE COMPANY ODYSSEY AMERICA REINSURANCE CORP SENTINEL INSURANCE COMPANY LTD HARTFORD INS CO OF THE MIDWEST PROPERTY & CASUALTY INS CO OF HARTFORD HARTFORD CASUALTY INSURANCE CO HARTFORD UNDERWRITERS INS CO HARTFORD ACCIDENT & INDEMNITY CO AUTOMOBILE INS CO OF HARTFORD CHARTER OAK FIRE INSURANCE CO TRAVELERS INDEMNITY CO OF CT TRAVELERS CASUALTY INS COMPANY OF **AMERICA** TRAVELERS PROPERTY CASUALTY COMP OF

**AMERICA FARMINGTON CASUALTY CO** TRAVELERS IND CO OF AMERICA STANDARD FIRE INSURANCE CO TRAVELERS CAS & SURETY CO OF AMER TRAVELERS COMMERCIAL INS CO TRAVELERS CASUALTY CO OF CONN TRAVELERS COMMERCIAL CASUALTY CO TRAVELERS CASUALTY & SURETY CO PHOENIX INSURANCE CO TRAVELERS PROPERTY & CASUALTY INS CO TRAVELERS INSURANCE COMPANY **GULF INSURANCE CO** STARNET INSURANCE COMPANY CHARTWELL REINSURANCE COMPANY INSURANCE CORPORATION OF NEW YORK NORTH STAR REINSURANCE CORPORATION XL REINSURANCE AMERICA **CLEARWATER INSURANCE COMPANY GREENWICH INSURANCE COMPANY** GENERAL REINSURANCE CORP FAIRFIELD INSURANCE COMPANY GENESIS INSURANCE COMPANY MITSUI SUMITOMO INS CO OF AMERICA **EXECUTIVE RISK INDEMNITY INC** PACIFIC INDEMNITY CO FEDERAL INSURANCE CO **GREAT NORTHERN INSURANCE CO** QUADRANT INDEMNITY COMPANY CHUBB NATIONAL INS CO VIGILANT INSURANCE CO CHUBB INDEMNITY INS CO NATIONAL COLONIAL INS. IN LIQUIDATION ICM INSURANCE COMPANY **EVEREST NATIONAL INS CO** CENTENNIAL INSURANCE CO ARCH REINSURANCE COMPANY UNITED STATES FIRE INSURANCE CO NORTH RIVER INSURANCE CO CRUM AND FOSTER INDEMNITY COMPANY LUCENT TECHNOLOGIES INC AMERICAN REINSURANCE COMPANY AMERICAN ALTERNATIVE INS CORP HIGHLANDS INSURANCE CO WESCO INSURANCE COMPANY AT&T COMMUNICATIONS INC AXA CORPORATE SOLUTIONS INSURANCE CO CENTRE INSURANCE COMPANY MITSUI SUMITOMO INS USA INC

CONNIE LEE INSURANCE CO RAMPART INSURANCE COMPANY WESTERN CONTINENTAL INS CO AXA RE AMERICA INS CO CONVERIUM INSURANCE (NORTH AMERICA) INC QBE INSURANCE CORPORATION ATLANTIC MUTUAL INSURANCE CO CONVERIUM REINSURANCE (NORTH AMERICA) ATLANTIC SPECIALTY INSURANCE COMPANY FOLKSAMERICA REINSURANCE COMPANY LIBERTY INS UNDERWRITERS INC XL INS CO OF NEW YORK INC **HUDSON INSURANCE COMPANY** PUBLIC SERVICE MUTUAL INS CO GERLING AMERICA INSURANCE COMPANY QUANTA INDEMNITY COMPANY INSURANCE CORPORATION OF HANNOVER REDLAND INSURANCE COMPANY **CLARENDON NATIONAL INS CO** CITY INSURANCE CO HOME INSURANCE CO AMERICAN INTERNATIONAL PACIFIC INS CO SIRIUS AMERICAN INS CO ILLINOIS NATIONAL INSURANCE COMPANY GENERAL SECURITY NATIONAL INSURANCE COMPANY GENERAL SECURITY INSURANCE COMPANY NICHIDO FIRE & MARINE INS CO HOME INDEMNITY CO THE SCOR REINSURANCE COMPANY COMMERCE & INDUSTRY INSURANCE CO TECHNOLOGY INSURANCE CO INC CHURCH MUTUAL INSURANCE CO. CONSTITUTION INSURANCE COMPANY NAVIGATORS INSURANCE COMPANY **TOKIO MARINE & FIRE INSURANCE CO** TRANS PACIFIC INSURANCE COMPANY NATIONAL UNION FIRE INS OF PITTSBURGH AMERICAN HOME ASSURANCE CO NEW HAMPSHIRE INSURANCE CO GRANITE STATE INSURANCE CO INSURANCE COMPANY OF STATE OF PA AIU INSURANCE CO BIRMINGHAM FIRE INS CO OF PA SOMPO JAPAN INSURANCE COMPANY OF **AMERICA** PARTNER REINS CO OF NEW YORK

SWISS REINSURANCE AMERICA CORP LANCER INSURANCE COMPANY **NEWARK INSURANCE CO** HEALTHCARE UNDERWRITERS MUT INS CO UNITED COMMUNITY INSURANCE CO FRONTIER INSURANCE COMPANY UTICA MUTUAL INSURANCE CO FEDEX GROUND PACKAGE SYSTEM INC P P G INDUSTRIES INC ROCKWOOD INSURANCE CO ROCKWOOD CASUALTY INSURANCE COMPANY OLD REPUBLIC INSURANCE CO PHICO INSURANCE CO PENNSYLVANIA CASUALTY COMPANY PENNSYLVANIA NATIONAL MUTUAL CASUALTY AMGUARD INSURANCE COMPANY EASTGUARD INSURANCE COMPANY NORGUARD INSURANCE COMPANY UNITED NATIONAL CASUALTY INSURANCE CO PENN STAR INSURANCE COMPANY UNITED STATES LIABILITY INS CO INSURANCE COMPANY OF NORTH AMERICA ACE FIRE UNDERWRITERS INS CO ACE INDEMNITY INSURANCE COMPANY PACIFIC EMPLOYERS INSURANCE CO BANKERS STANDARD FIRE & MARINE ACE PROPERTY & CASUALTY INS CO ACE AMERICAN INSURANCE COMPANY BANKERS STANDARD INSURANCE CO INDEMNITY INS CO OF NORTH AMERICA RELIANCE INSURANCE CO RELIANCE UNIVERSAL INS CO RELIANCE NATIONAL INSURANCE CO RELIANCE NATIONAL INDEMNITY CO -**RELIANCE DIRECT INS CO** UNITED PACIFIC INSURANCE CO LEGION INSURANCE CO VILLANOVA INSURANCE COMPANY VILLANOVA INSURANCE COMPANY AMERICAN FUJI FIRE & MARINE INS CO **OVERSEAS PARTNERS US REINSURANCE** ACE AMERICAN REINSURANCE CO CENTURY INDEMNITY CO PENNSYLVANIA MANUFACTURERS ASSOC MANUFACTURES ALLIANCE INSURANCE CO PENNSYLVANIA MANUFACTURERS INDEMNITY COMPANY HARLEYSVILLE INSURANCE COMPANY AMERICAN INTERNATIONAL SPECIALTY LINES

**INSURANCE** AMERICAN CENTENNIAL INSURANCE CO ULICO CASUALTY COMPANY **GOVERNMENT EMPLOYEES INS CO** GEICO INDEMNITY COMPANY GEICO CASUALTY COMPANY PROFESSIONALS ADVOCATE INS CO **EULER AMERICAN CREDIT INDEMNITY CO** MONUMENTAL GENERAL CASUALTY CO ASSURANCE COMPANY OF AMERICA MARYLAND CASUALTY CO VALIANT INSURANCE COMPANY AMERICAN GENERAL CORP SEABOARD SURETY COMPANY RECIPROCAL OF AMERICA INS CO TRIAD GUARANTY INSURANCE COMPANY INTEGON NATIONAL INSURANCE COMPANY ALAMANCE INSURANCE COMPANY FIRST FINANCIAL INSURANCE COMPANY OCCIDENTAL FIRE & CASUALTY CO OF NC **VEREX ASSURANCE INC GROCERS INSURANCE COMPANY** SAFEGUARD INSURANCE COMPANY ORION INSURANCE COMPANY AMERICAN & FOREIGN INS CO SECURITY INS CO OF HARTFORD GUARANTY NATIONAL INSURANCE COMPANY **AXIS REINSURANCE COMPANY** FIRE & CASUALTY INS CO OF CONN **GLOBE INDEMNITY CO** PHOENIX ASSURANCE CO OF NEW YORK CONNECTICUT INDEMNITY CO **EMPLOYEE BENEFITS INS CO ROYAL INDEMNITY COMPANY GUARANTEE INSURANCE CO** AIG NATIONAL INSURANCE COMPANY ATLANTA INTERNATIONAL INS CO INTERNATIONAL INDEMNITY CO INDUSTRIAL UNDERWRITERS INS CO WESTCHESTER FIRE INSURANCE CO GEORGIA PACIFIC CORP AMERICAN SAFETY CASUALTY INS CO ATLANTA SPECIALTY INS CO FIRST PROFESSIONALS INSURANCE COMPANY INCORPORATE PIE NATIONWIDE INC FIDELITY NATIONAL PROPERTY AND CASUALTY INS CO

RYDER SYSTEMS INC

SECURITY NATIONAL INS CO LUMBERMENS UNDERWRITING ALLIANCE FIRST SOUTHERN INSURANCE CO TEXAS EMPLOYERS INDEMNITY CO THE INSURANCE COMPANY SERVICE INSURANCE COMPANY HORIZON CMS HEALTHCARE CORP SHELBY CASUALTY INS CO MEDICAL ASSURANCE CO INC CATERPILLAR INSURANCE COMPANY PERMANENT GENERAL ASSURANCE CORP MERASTAR INSURANCE CO FEDERAL EXPRESS CORP WAVERLEY MONTANA INC AMERICAN HARDWARE MUTUAL INS CO NATIONWIDE MUTUAL FIRE INSURANCE CO NATIONWIDE PROPERTY & CASUALTY INS CO CREDIT GENERAL INSURANCE CO ST PAUL FIRE & MARINE INS CO CONTINENTAL CASUALTY CO CHAMPION INTERNATIONAL CORP **BORDEN CHEMICAL INC EVERGREEN NATIONAL INDEMNITY** ROCHDALE INSURANCE COMPANY BRISTOL WEST INSURANCE COMPANY PROGRESSIVE CASUALTY INS CO NATIONAL CONTINENTAL INSURANCE CO NATIONAL INTERSTATE INS CO WEST AMERICAN INSURANCE COMPANY OHIO SECURITY INSURANCE COMPANY AVOMARK INS CO AMERICAN FIRE & CASUALTY COMPANY OHIO CASUALTY INSURANCE COMPANY **COMPASS INSURANCE COMPANY** NORTHWESTERN NATIONAL INS CO OF MIL GREAT AMERICAN INS CO OF NEW YORK GREAT AMERICAN ALLIANCE INS CO **GREAT AMERICAN INSURANCE CO** WORLDWIDE INSURANCE COMPANY GREAT AMERICAN SPIRIT INSURANCE CO GREAT AMERICAN ASSURANCE CO CINCINNATI INSURANCE COMPANY CINCINNATI CASUALTY COMPANY CINCINNATI INDEMNITY COMPANY PROTECTIVE INSURANCE CO SAGAMORE INSURANCE COMPANY **IGF INSURANCE COMPANY** GRAIN DEALERS MUTUAL INSURANCE CO NATIONAL INSURANCE ASSOCIATION

INDIANA LUMBERMENS MUTUAL INS CO BROTHERHOOD MUTUAL INS CO FORT WAYNE HEALTH & CASUALTY INS CO YOSEMITE INSURANCE COMPANY STAR INSURANCE CO WILLIAMSBURG NATIONAL INS CO K MART CORP NATIONAL GENERAL INS CO MIC GENERAL INS CORP MIC PROPERTY & CASUALTY INS CORP MOTORS INSURANCE CORPORATION CIM INSURANCE CORPORATION HOLCIM (US) INC INTREPID INSURANCE COMPANY AMERISURE MUTUAL INSURANCE CO DAIMLER CHRYSLER INSURANCE COMPANY FRANKENMUTH MUTUAL INS CO INSURANCE CORPORATION OF AMERICA AMERICAN PHYSICIANS ASSURANCE CORP ACCIDENT FUND INSURANCE COMPANY OF **AMERICA** MICHIGAN MILLERS MUTUAL INSURANCE CO GUIDANT SPECIALTY MUTUAL INS CO GUIDEONE MUTUAL INS CO WESTERN AGRICULTURAL INS CO **EMCASCO INSURANCE COMPANY** AMERICAN LIBERTY INSURANCE CO DAKOTA FIRE INSURANCE COMPANY ALLIED MUTUAL INSURANCE CO CONTINENTAL WESTERN INS CO HOMELAND CENTRAL INSURANCE CO BERKLEY REGIONAL INSURANCE COMPANY UNION INS CO OF PROVIDENCE CENTURION CASUALTY COMPANY NATIONWIDE AGRIBUSINESS INS CO FARMLAND MUTUAL INSURANCE CO AMCO INSURANCE COMPANY **ALLIED PROPERTY & CASUALTY INS COMPANY DEPOSITORS INSURANCE COMPANY** PHARMACIST MUTUAL INSURANCE COMPANY ACCEPTANCE INDEMNITY INS CO **IOWA MUTUAL INSURANCE CO** FIREMANS FUND INS CO OF WISCONSIN NORTHWESTERN NATIONAL CASUALTY CO NN INSURANCE COMPANY ST PAUL GUARDIAN INSURANCE CO ST PAUL MERCURY INSURANCE CO ST PAUL MEDICAL LIABILITY INS CO UNITED WISCONSIN INS CO

COMMERCIAL LOAN INS CORP LAURIER INDEMNITY COMPANY INCORPORATED REGENT INSURANCE CO GENERAL CASUALTY CO OF WISCONSIN WINTERTHUR INTERNATIONAL AMERICA INS CO **CUMIS INSURANCE SOCIETY INC** PLATTE RIVER INSURANCE COMPANY NATIONWIDE INS CO OF AMERICA AMERICAN FAMILY MUTUAL INSURANCE CO AMERICAN STANDARD INSURANCE COMPANY OF WISCONSIN DAIRYLAND INSURANCE COMPANY SENTRY INSURANCE MUTUAL CO MIDDLESEX INSURANCE COMPANY SENTRY SELECT INSURANCE COMPANY FEDERATED SERVICE INSURANCE CO FEDERATED MUTUAL INSURANCE CO FIDELITY & GUARANTY INS UNDERWRITERS ATHENA ASSURANCE CO ST PAUL PROTECTIVE INSURANCE COMPANY DISCOVER PROPERTY & CASUALTY INS CO UNITED STATES FIDELITY & GUARANTY CO FIDELITY & GUARANTY INS CO NORTHBROOK INDEMNITY CO STOLTZE CONNER LUMBER CO F H STOLTZE LAND & LUMBER CO NORTHLAND CASUALTY COMPANY NORTHLAND INSURANCE COMPANY MODERN SERVICE INSURANCE COMPANY CHS INC TARGET CORP NORTHWESTERN CORPORATION NORTHWESTERN ENERGY L L C **DAKOTA TRUCK UNDERWRITERS** AMERICAN WEST INSURANCE CO STILLWATER MINING CO VALOR INSURANCE COMPANY INC WAGGONERS TRUCKING THE HOLY ROSARY HOSPITAL MONTANA HEALTH NETWORK WC INS TRUST WESTERN ENERGY CO PEABODY COAL CO BENEFIS HEALTH CARE ST THOMAS CHILD & FAMILY CNTR COLUMBUS HOSPITAL CORP MONTANA ELECTRIC & TELEPHONE POOL MONTANA CONTRACTOR COMP FUND UNIVERSITY OF GREAT FALLS SCIF HORSERACING

COMBINED BENEFITS INS CO MACO WORKERS COMP TRUST MONTANA SCHOOLS GROUP INS AUTHORITY MONTANA STATE FUND MHA WORKERS COMP TRUST MONTANA MUNICIPAL INS AUTHORITY MUS SELF-FUNDED WORK COMP PROGRAM CONSOLIDATED FREIGHTWAYS CORP MONTANA RESOURCES **ENTECH INC** MONTANA POWER CO **TOWN PUMP INC.** GOLDEN SUNLIGHT MINES INC MISSOULA COUNTY WC GROUP INS AUTHORITY MISSOULA COUNTY STAN WATKINS TRUCKING INC WATKINS & SHEPARD TRUCKING INC MONTANA LOGGERS EXCHANGE ST JOSEPH HOSPITAL CORP NORTHWEST HEALTHCARE CORP PLUM CREEK TIMBER CO INC HARCO NATIONAL INSURANCE CO ALLSTATE INSURANCE CO WESTERN DIVERSIFIED CASUALTY INS **EVANSTON INSURANCE COMPANY** AMERICAN CONTINENTAL INSURANCE CO VIRGINIA SURETY COMPANY INCORPORATED AMERICAN PROTECTION INSURANCE CO AMERICAN MOTORISTS INSURANCE CO SPECIALTY NATIONAL INS CO NABISCO INC AMERICAN AMBASSADOR CASUALTY CO COLONIAL PENN FRANKLIN INS CO AMERICAN AGRICULTURAL INS COMPANY XL SPECIALTY INSURANCE COMPANY FORUM INSURANCE CO WESTERN FRUIT EXPRESS CO **COLONIAL AMERICAN CASUALTY & SURETY** NORTHERN INS CO OF NEW YORK AMERICAN ZURICH INSURANCE CO **ZURICH AMERICAN INSURANCE CO ZURICH AMERICAN INS CO OF ILLINOIS** AMERICAN GUARANTEE & LIABILITY INS CO FIDELITY & DEPOSIT CO OF MARYLAND HERITAGE CASUALTY INSURANCE COMPANY MILLERS NATIONAL INSURANCE CO TRANSGUARD INS CO OF AMERICA INC ROYAL INS CO OF AMERICA NATIONAL SURETY CORP

WARNER INSURANCE COMPANY UNION TANK CAR CO **COREGIS INSURANCE COMPANY** INTERCONTINENTAL INSURANCE CO SEABRIGHT INSURANCE COMPANY COMMERCIAL INS CO OF NEWARK NJ CONTINENTAL INSURANCE CO FIREMENS INS CO OF NEWARK NJ VALLEY FORGE INSURANCE CO TRANSCONTINENTAL INSURANCE CO NIAGARA FIRE INSURANCE CO FIDELITY & CASUALTY CO OF NEW YORK NATIONAL FIRE INS CO OF HARTFORD BOSTON OLD COLONY INS CO AMERICAN CASUALTY CO OF READING PA GLENS FALLS INSURANCE CO KANSAS CITY FIRE & MARINE INS CO CONTINENTAL NATIONAL INDEMNITY BITUMINOUS FIRE & MARINE INS CO BITUMINOUS CASUALTY CORP LEXON INSURANCE COMPANY RLI INDEMNITY CO COUNTRY MUTUAL INS CO COUNTRY PREFERRED INS CO COUNTRY CASUALTY INS CO STATE FARM GENERAL INS CO MILLERS FIRST INSURANCE COMPANY FLORISTS MUTUAL INSURANCE CO MIDWEST EMPLOYERS CASUALTY CO LYNDON PROPERTY INSURANCE COMPANY VANLINER INSURANCE CO SMURFIT STONE CONTAINER ENTERPRISES INC SAFETY FIRST INSURANCE COMPANY SAFETY NATIONAL CASUALTY CORP TRAVELERS INDEMNITY CO STATE FARM MUTUAL AUTOMOBILE INS CO AMERICAN DRUG STORES INC SHELL WESTERN E & P STATE FARM FIRE & CASUALTY CO NATIONWIDE MUTUAL INSURANCE CO INTERNATIONAL PAPER CO MONTGOMERY WARD & CO INC ST PATRICK HOSPITAL AND HEALTH SCIENCES CENTER FLYING J INC METROPOLITAN PROP & CAS INS CO CONTINENTAL BAKING CO ARCH INSURANCE COMPANY CASUALTY RECIPROCAL EXCHANGE

ARMED FORCES INSURANCE EXCHANGE WESTPORT INSURANCE CORP **EMPLOYERS REINSURANCE CORP** BENCHMARK INSURANCE COMPANY ASH GROVE CEMENT CO UNIVERSAL UNDERWRITERS INS CO FEDERATED RURAL ELECTRIC INS EXCHANGE SISTERS OF CHARITY OF LEAVENWORTH **HEALTH SYSTEM** CIMARRON INSURANCE CO CONAGRA FOODS INC CALIFORNIA INSURANCE COMPANY PREFERRED PROFESSIONAL INSURANCE COMPANY NATIONAL INDEMNITY COMPANY PROTECTIVE NATIONAL INSURANCE COMPANY OF OMAHA CENTRAL NATIONAL INS CO OF OMAHA UNION INSURANCE COMPANY **GREAT WEST CASUALTY CO GRAY INSURANCE COMPANY** AMERICAS INSURANCE COMPANY AMERICAN INTERSTATE INS CO AUDUBON INSURANCE COMPANY **BANCINSURE INC CONOCO PIPELINE CO** OLD REPUBLIC SECURITY ASSURANCE CO NATIONAL AMERICAN INSURANCE CO STONINGTON INSURANCE COMPANY FAIRMONT INSURANCE CO TIG INSURANCE CO TIG PREMIER INSURANCE CO J C PENNEY CORP INC ATLANTIC INSURANCE COMPANY TRANSPORTATION INS CO TRANSPORT INSURANCE CO LEADER INSURANCE COMPANY STONEBRIDGE CASUALTY INS COMPANY **EMPLOYERS CASUALTY COMPANY IN** RECEIVERSHIP **NL INDUSTRIES** ACIG INSURANCE COMPANY TRINITY UNIVERSAL INS CO OF KANSAS TRINITY UNIVERSAL INSURANCE CO SOUTHERN INSURANCE COMPANY SELECT INSURANCE CO BANKERS MULTIPLE LINE INS CO MILLERS INSURANCE COMPANY TRITON INSURANCE COMPANY

#### TEÇK COMINCO AMERICAN INC ALASKA NATIONAL INSURANCE CO

- On December 22, 2004, the Montana Supreme Court held that the age-related limits imposed by section 39-71-710, MCA (1999), on a claimant's permanent partial disability benefit is unconstitutional. The Court further determined that older claimants are entitled to the same permanent partial disability benefits as younger claimants. Reesor v. Montana State Fund, 2004 MT 370. A copy of that decision may be found by going to this Court's WEB site at <a href="http://wcc.dli.mt.gov/reesor\_info.asp">http://wcc.dli.mt.gov/reesor\_info.asp</a> and selecting the link to the decision.
- The Supreme Court remanded the case to this Court for a redetermination of the benefits due the petitioner. Following remand, on January 20, 2005, petitioner's attorney filed Petitioner's Notice of Common Fund Attorney Fee Lien, a copy of which is attached. In that lien notice he claims an attorney fee lien on all additional benefits due claimants injured on or after July 1, 1987, and prior to December 22, 2004, as a result of the Supreme Court's decision and which are paid after December 22, 2004. The claimed lien extends to all Montana insurers and self-insurers. The lien is for twenty-five percent of the additional benefits.
- ¶3 Until further order of this Court, each insurer and self-insurer named in this summons is authorized to withhold twenty-five percent of additional benefits paid after December 22, 2004, on account of the *Reesor* decision to claimants who were injured on or after July 1, 1987, and prior to December 22, 2004.
- Further, each of you is made a respondent to the petitioner's common fund claims and summoned to answer the petitioner's request for certification of a common fund and enforcement of his attorney's lien. Your written answer must include any defenses you may have to the request for common fund certification and must be received at the Workers' Compensation Court at P.O. Box 537, Helena, MT 59624-0537, or delivered to its offices at 1625 11<sup>th</sup> Avenue, Helena, Montana, on or before June 6, 2005. A copy of your answer must also be served on petitioner's attorney, Mr. Thomas J. Murphy, at Murphy Law Firm, P.O. Box 3226, Great Falls, MT 59403-3226.
- Following the deadline for the filing of your answer, the Court will conduct further proceedings to determine whether a common fund exists, the extent of any common fund, and the petitioner's entitlement to attorney fees pursuant to the common fund doctrine. If the Court finds there is a common fund, then proceedings to enforce common fund entitlements and the petitioner's attorney fee lien will follow. Resolution of these legal issues, and any attendant issues, will govern this case and apply to each of you.

¶6 To facilitate dissemination of your answer and of subsequent motions, briefs, orders, court minutes, and hearing transcripts, the Court will post all non-privileged documents in this case under the common fund section of its WEB site at <a href="https://www.wcc.dli.mt.gov">www.wcc.dli.mt.gov</a>.

DATED in Helena, Montana, this 22 day of April, 2005.

11100

Attachment: Petitioner's Notice of Common Fund Attorney Fee Lien

Summons and Notice of Attorney Fee Lien - Page 8

# Exhibit B

#### IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. Diane Koken,

Insurance Commissioner of the Commonwealth of Pennsylvania,

Plaintiff

V.

Reliance Insurance Company,

Defendant

: No. 269 M.D. 2001

#### ORDER OF LIQUIDATION

AND NOW, this 3rd day of October, 2001, upon consideration of the Petition of M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Rehabilitator of Reliance Insurance Company for Liquidation in accordance with Article V of the Insurance Department Act of 1921, as amended, 40 P.S. §211, et seq. and the Consent thereto, it is hereby ORDERED and DECREED that said Petition is GRANTED.

#### It is further **ORDERED** and **DECREED** that:

- 1. The rehabilitation of Reliance Insurance Company ("Reliance" or the "Company") commenced under this Court's Order of May 29, 2001 is hereby **TERMINATED**.
- 2. Reliance is hereby found to be and is declared INSOLVENT, as that term is defined in 40 P.S. §§ 221.3, and as provided in 40 P.S. §§ 221.14(1) and 221.19.
- 3. Commissioner M. Diane Koken and her successors in office (the "Commissioner") are hereby APPOINTED Liquidator of Reliance and the Liquidator or her designees (the "Liquidator") are directed immediately to take possession of Reliance's property, business and affairs as Liquidator, and to liquidate Reliance in accordance with Article V of the Insurance Department Act of 1921, as amended (40 P.S. §§211 et seq.) (the "Act"), and to take such action as the interest of the policyholders, creditors or the public may require.
- 4. The Liquidator is hereby **VESTED** with all the powers, rights, and duties authorized under the Act and other applicable law.

#### **ASSETS OF THE ESTATE**

5. The Commissioner, as Liquidator, is vested with title to all property, assets, contracts and rights of action ("assets") of Reliance, of whatever nature and wherever located, whether held directly or indirectly, as of the date of the filing of the Petition for Liquidation. All assets of Reliance are hereby found to be in custodia legis of this Court; and this

Court specifically asserts, to the fullest extent of its authority, (a) in rem jurisdiction over all assets of the Company wherever they may be located and regardless of whether they are held in the name of the Company or any other name; (b) exclusive jurisdiction over all determinations of the validity and amount of claims against Reliance; and (c) exclusive jurisdiction over the determination of the distribution priority of all claims against Reliance.

- 6. The filing or recording of the Order with the clerk of the Commonwealth Court or with the recorder of deeds of the county in which the principal business of Reliance is conducted, or the county in which its principal office or place of business is located, shall impart the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that recorder of deeds would have imparted.
- 7. All banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of Reliance, shall, unless otherwise instructed by the Liquidator, deliver the possession of the same immediately to the Liquidator, and shall not disburse, convey, transfer, pledge, assign, hypothecate, encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator.
- 8. All persons and entities are enjoined from disposing of or destroying any records pertaining to any transactions between Reliance and any party.
- 9. The amount recoverable by the Liquidator from any reinsurer shall not be reduced as a result of this Order of Liquidation,

regardless of any provision in a reinsurance contract or other agreement. Payment made directly by the reinsurer to an insured or other creditor of Reliance shall not diminish the reinsurer's obligation to Reliance, except to the extent provided by law.

- 10. All agents, brokers, and other persons having sold policies of insurance issued by Reliance shall account for and pay all unearned commissions and all premiums, collected and uncollected, for the benefit of Reliance directly to the Liquidator, within 30 days of notice of this Order. No agent, broker, reinsurance intermediary or other person shall disburse or use monies which come into their possession and are owed to, or are claimed by, Reliance for any purpose other than payment to the Liquidator.
- 11. If requested by the Liquidator, all attorneys employed or retained by Reliance or performing legal services for Reliance as of the date of this Order shall, within 30 days of such request, report to the Liquidator the name, company claim number (if applicable) and status of each matter they are handling on behalf of Reliance. Said report shall include the full caption, docket number and name and address of opposing counsel in each case and an accounting of any funds received from or on behalf of Reliance for any purpose and in any capacity.
- 12. Any entity furnishing telephone, water, electric, sewage, garbage, delivery, trash removal, or utility services to Reliance shall maintain such service and create a new account for the Liquidator as of the date of this Order upon instruction by the Liquidator.

- 13. Any entity (including any affiliate of Reliance) which has custody or control of any data processing information and records (including but not limited to source documents, all types of electronically stored information, master tapes or any other recorded information) relating to Reliance, shall transfer custody and control of such records in a form readable by the Liquidator to the Liquidator as of the date of this Order, unless instructed to the contrary by the Liquidator.
- 14. Any entity (including any affiliate of Reliance) furnishing claims processing or data processing services to Reliance shall maintain such services and transfer any such accounts to the Liquidator as of the date of this Order, unless instructed to the contrary by the Liquidator.
- 15. Reliance, its affiliates, and their officers, directors, trustees, employees, consultants, agents, and attorneys, shall: surrender peacefully to the Liquidator the premises where Reliance conducts its business; deliver all keys or access codes thereto and to any safe deposit boxes; advise the Liquidator of the combinations or access codes of any safe or safekeeping devices of Reliance or any password or authorization code or access code required for access to data processing equipment; and shall deliver and surrender peacefully to the Liquidator all of the assets, books, records, files, credit cards, and other property of Reliance in their possession or control, wherever located, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the foregoing.
- 16. Except for contracts of insurance and for reinsurance, all executory contracts to which Reliance is a party as of the date of this Order

may be affirmed or disavowed by the Liquidator within 90 days of the date of this Order.

#### CONTINUATION AND CANCELLATION OF COVERAGE

within this Commonwealth or elsewhere, in effect on the date of this Order shall continue in force only with respect to risks in effect at that time, for the lesser of the following: (a) thirty days from the date of this Order; (b) until the normal expiration of the policy or contract providing insurance coverage; (c) until the insured has replaced the insurance coverage with equivalent insurance with another insurer or otherwise terminated the policy; or (d) until the Liquidator has effected a transfer of the policy obligation pursuant to Section 221.23(8). All policies or contracts of insurance issued by Reliance are hereby cancelled and terminated for all purposes effective thirty days from the date of this Order.

### WORKERS COMPENSATION AND PERSONAL INJURY PROTECTION CLAIMS

18. For a period not to exceed 90 days from entry of this Order, the Liquidator is authorized but not obligated, in her sole discretion, to make arrangements for the continued payment in full of the claims under policies of workers compensation and under policies providing personal injury protection (PIP) by making the facilities, computer systems, books, records and arrangements with third party administrators (to the extent possible) of Reliance available for the processing and payment of such

claims, to any affected guaranty association (or other entity that is the functional equivalent) and to states and state officials holding statutory deposits for the benefit of such workers compensation and PIP claimants, provided, however, that such guaranty associations, states or state officials shall provide or make available the funds to make the actual payment of such claims. In circumstances where a guaranty association certifies in writing to the Liquidator that it does not have the immediate ability to fund the payment of workers compensation and PIP claims that are its obligation by law, the Liquidator is authorized to advance the funds, if available, from Reliance to pay such claims on a temporary basis for a period not to exceed 90 days, provided that the guaranty association enters into a written agreement that such advances shall be treated as a distribution pursuant to 40 P.S. §221.36. The Liquidator shall have the discretion to accept such interim assurances as she deems adequate in lieu of a formal agreement.

#### NOTICE AND PROCEDURES FOR FILING CLAIMS

19. The Liquidator shall give notice by first-class mail to all persons which or who may have claims against Reliance, contingent or otherwise, as disclosed by its books and records, and advising claimants to file with the Liquidator their claims together with proper proofs thereof on or before the date (which shall be no earlier than one year from the date of the notice) the Liquidator shall specify therein. The Liquidator shall also cause a notice to be published in newspapers of general circulation where Reliance has its principal places of business, as well as in the national edition of the Wall Street Journal, (a) specifying the last day for the filing of claims; (b) advising all persons of the procedure by which all persons may

present their claims to the Liquidator; (c) advising all persons of the Liquidator's office wherein they may present their claim; and (d) advising all persons of their right to present their claim or claims to the Liquidator. Any and all persons, firms, or corporations having or claiming to have any accounts, debts, claims or demands against Reliance, contingent or otherwise, or claiming any right, title, or interest in any funds or property in the possession of the Liquidator are required to file with the Liquidator at the location designated in the above-described notices, on or before the date specified by the Liquidator as the last date upon which to file a claim (which shall be no earlier than one year from the date of the notice), a properly completed proof of claim or be thereafter barred as claimants against any assets in the hands of the Liquidator, unless a late filing is permitted under 40 P.S. §221.37. No person shall participate in any distribution of the assets of Reliance unless such claims are filed and presented in accordance with and within the time limit established by the Liquidator, subject to the provisions for the late filing of claims in 40 P.S. §221.37.

#### **EXPENSES, PAYMENTS AND LAWSUITS**

20. Without filing a petition for distribution, the Liquidator shall have the discretion to pay as costs and expenses of administration, pursuant to 40 P.S. §221.44, the actual, reasonable and necessary costs of preserving or recovering assets of Reliance and the costs of goods or services provided to and approved by Reliance (In Rehabilitation) or this Court during the period of Rehabilitation and that are unpaid as of the date of this Order. The rights and liabilities of Reliance and of its creditors,

policyholders, trustees, shareholders, members, and all other persons interested in this estate shall be determined in accordance with the Act as of the date of the filing of the Petition for Liquidation.

Reliance, its affiliates, or their directors, officers, 21. trustees, employees, attorneys, brokers, consultants, agents, insureds, creditors, and any other persons, wherever located, are enjoined from: (a) the transaction of further business; (b) transferring, selling, concealing, terminating, canceling, destroying, disbursing, disposing of or assigning any assets, funds or other property of any nature; (c) any interference, in any manner, with Commissioner M. Diane Koken or her successors, or any of her designees in liquidating Reliance's business and affairs; (d) any waste of Reliance's assets or property; (e) the dissipation and transfer of bank accounts and negotiable instruments; (f) the institution or further prosecution of any actions in law or equity on behalf of or against Reliance; (g) the obtaining of preferences, judgments, attachments, garnishments or liens against Reliance's assets, property and policyholders; (h) the levy of execution process against Reliance and its assets, property and policyholders; (i) the negotiation or execution of any agreement of sale or deed conveying personal or real property for nonpayment of taxes or assessments or for any other purpose; (i) withholding from the Liquidator or her designees or removing, concealing, transferring or destroying books, accounts, documents, policies or policy related documents or other records relating to Reliance's business; (k) making any assessments or indirectly collecting such assessments by setting them off against amounts otherwise payable to Reliance; (1) attempting to collect unpaid premiums, deductibles

or self insured retentions from Reliance's insureds; and (m) the taking of any other action which might lessen the value of Reliance's assets or property, prejudice the rights and interests of policyholders and creditors, or interfere in the administration of the proceeding.

- 22. Unless the Liquidator consents thereto in writing, no action at law or equity, or arbitration or mediation, shall be brought against Reliance or the Liquidator, whether in this Commonwealth or elsewhere, nor shall any such existing action be maintained or further prosecuted after the date of this Order. All actions, including arbitrations and mediations, currently pending against Reliance in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed. All actions, arbitrations and mediations, against Reliance or the Liquidator shall be submitted and considered as claims in the liquidation proceeding.
- a party in any court of this Commonwealth are hereby stayed for ninety (90) days from the date this Order. The Liquidator, pursuant to 40 P.S. §221.5(a), her designees and/or the Pennsylvania Property and Casualty Insurance Guaranty Association may petition this Court for extensions as needed in the exercise of their respective discretion. With respect to suits and other proceedings in which Reliance is obligated to defend a party, pending outside the Commonwealth of Pennsylvania and in federal courts of the United States, this Order constitutes the request of this Court for comity in the imposition of a 90-day stay by such courts or tribunals, and that those courts afford this order deference by reason of this Court's responsibility for

and supervisory authority over the rehabilitation of Reliance, as vested in this Court by the Pennsylvania Legislature The Liquidator is authorized to cooperate in assisting any guaranty association in any jurisdiction to enforce any stay of any action provided for in any relevant law of another state. Any person that fails to honor a stay ordered by this Court or violates any provision of this Order, where such person has a claim against Reliance, shall have their claim subordinated to all other claims in the same class, with no payment being made with respect to such claim until all others in the same class have been paid in full, in addition to any other remedies available at law or in equity.

- 24. No judgment or order against Reliance or its insureds 'entered after the date of filing of the Petition for Liquidation, and no judgment or order against Reliance entered at any time by default or by collusion, need be considered as evidence of liability or quantum of damages by the Liquidator.
- 25. No action or proceeding in the nature of an attachment, garnishment, or execution shall be commenced or maintained in this Commonwealth or elsewhere against Reliance or the Liquidator, or their assets.
- 26. All secured creditors or parties, pledges, lienholders, collateral holders or other person claiming secured, priority or preferred interests in any property or assets of Reliance are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach,

dispose of, or exercise, purported rights in or against any property or assets of Reliance except as provided in 40 P.S. §221.43.

- 27. All references to "Reliance" herein shall include the former subsidiaries which were previously merged into Reliance Insurance Company with approval of the Commissioner, including Reliance National Indemnity Company, Reliance National Insurance Company, United Pacific Insurance Company, Reliance Direct Company, Reliance Surety Company, Reliance Universal Insurance Company, United Pacific Insurance Company of New York and Reliance Insurance Company of Illinois.
- 28. This Order shall be effective on the date of entry specified above and supercedes this Court's Order of May 29, 2001.
- 29. Further, this Order supercedes any order entered by this Court prior to 12:00 noon, October 3, 2001.

The Rehabilitator, through its counsel, is hereby directed to forthwith, serve a copy of this order upon all parties listed on the master service list via fax and/or e-mail and U.S. mail, if necessary. The Rehabilitator, through its counsel, is directed to file with the court in the Office of the Prothonotary, 9<sup>th</sup> Floor the Widener Building, 1339 Chestnut Street, Philadelphia, PA 19107, by 1:00 p.m. October 9, 2001 an affidavit, that service, as outlined above, has been effectuated.

Certified from the Record

OCT 0 4 2001

and Order Exit

JAMES GARDNER COLINS, Judge



Reliance Insurance Company (In Liquidation)

Three Parkway, 5th Floor

Philadelphia, PA 19102-1376 Direct Dial: (215) 864-4210

Facsimile:

(215) 864-4141

Gail M. Burgess

Vice President, Associate General Counsel



#### **VIA UPS NEXT DAY AIR**

June 3, 2005

Cail, burgesse nellance in surance

Workers' Compensation Court 1625 11<sup>th</sup> Avenue Helena, MT 59624

Re:

Answer of Reliance Insurance Company (In Liquidation)

GOU'T & IND.RELATIONS

to Summons and Notice of Attorney Fee Lien

Dale Reesor, Petitioner, vs. Montana State Fund, Respondent/Insurer

Workers' Compensation Court of the State of Montana

WCC No. 2002-0676

To Whom It May Concern:

Enclosed for filing is the Answer of Reliance Insurance Company (In Liquidation) to the Summons and Notice of Attorney Fee Lien and attached Notice of Common Fund Attorney Fee Lien. Kindly file the above document, and return a time-stamped copy in the enclosed self-addressed stamped envelope. Thank you.

If you have any questions, please feel free to contact me at the address and/or phone number referenced in the letterhead above.

Sincerely,

Gail M. Burgess

GB: 1s

**Enclosures** 

cc:

Thomas J. Murphy Murphy Law Firm P.O. Box 3226 Great Falls, MT 59403-3226