

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

**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**

B E T W E E N:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

RELIANCE INSURANCE COMPANY

Respondent

**NOTICE OF MOTION
(returnable December 17, 2008)**

KPMG Inc., liquidator (the "Liquidator") of the insurance business of Reliance Insurance Company in Canada ("Reliance Canada") will make a motion to this Court on Wednesday, December 17, 2008 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- 1. An Order substantially in the form attached as Schedule "A" hereto:

- (a) authorizing the payment in full of all ordinary creditor claims up to a cumulative total of \$100,000.00, including the claim of Hub International Ltd. filed in the amount of (U.S.)\$5,810.87; and
 - (b) authorizing payment of inspector remuneration to the Property and Casualty Insurance Compensation Corporation in the amount of \$129,244.99.
2. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. Pursuant to Orders of this Court, the Liquidator has paid, and is paying, policyholder loss claims at a cumulative amount of 100 cents on the dollar.
2. Pursuant to the Order of this Court made June 24, 2008, a call for ordinary creditor claims was made. One ordinary creditor claim was filed pursuant to the call for claims.
3. The Liquidator considers that the filed ordinary creditor claim should be paid, and that payment of the claim, and of any proper and valid late claims for ordinary creditor claims up to a cumulative total of \$100,000.00, will not prejudice any party and is appropriate in the circumstances.
4. Rules 1.04, 2.03 and 3.02 of the *Rules of Civil Procedure*.
5. Sections 33, 35, 42, 43, 161 and 162 of the *Winding-up and Restructuring Act*.
6. The Orders of this Honourable Court made herein on December 3, 2001 and June 24, 2008.
7. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Report of the Liquidator dated December 10, 2008;
2. Such further and other material as counsel may advise and this Honourable Court permit.

December 10, 2008.

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THE ATTORNEY GENERAL OF CANADA
Applicant

RELIANCE INSURANCE COMPANY
Respondent

Court File No: 01-CL-4313

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

Proceeding commenced at TORONTO

**NOTICE OF MOTION
(Motion Returnable December 17, 2008)**

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Liquidator of Reliance (Canada)

Our File No. 01.6699
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**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 17TH DAY
)
JUSTICE) OF DECEMBER, 2008

**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

THIS MOTION, brought by KPMG Inc., liquidator (the "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 December 10, 2008 (the "Report"), filed, and on hearing submissions of counsel 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 of the Notice of Motion and materials herein is good and sufficient service of this motion, that the motion is properly returnable before this Court and that further service thereof upon any interested party other than those parties served be and is hereby dispensed with.

2. **THIS COURT ORDERS** that the Liquidator is hereby authorized to pay a distribution from the estate of Reliance Canada in the amount of 100% of valid and allowed ordinary claims up to a cumulative total amount of \$100,000.00, including, for greater certainty, the claim of Hub International Ltd. filed in the amount of (U.S.) \$5,810.87.

3. **THIS COURT ORDERS** that the Liquidator is hereby authorized to pay to the Property and Casualty Insurance Compensation Corporation ("PACICC") as remuneration for PACICC's inspectorship herein the sum of \$129,244.99.

THE ATTORNEY GENERAL OF CANADA
Applicant

RELIANCE INSURANCE COMPANY
Respondent

Court File No: 01-CL-4313

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

Proceeding commenced at Toronto

**ORDER
(December 17, 2008)**

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Liquidator of Reliance (Canada)

File No. 016699