

**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

KPMG Inc., liquidator (the “Liquidator”) of Reliance Insurance Company of Canada (“Reliance (Canada)”) will make a motion on Friday, the 2nd day of March, 2012 at 9:30 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 approving the Liquidator’s proposed process for the disallowance of claims which are disputed by the Liquidator, including for directions with respect to the form and manner of service of notices of disallowance of claims and for any appeal therefrom; and

2. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

3. By Orders of this Court made December 3, 2001, the insurance business of Reliance (Canada) was ordered wound-up pursuant to the provisions of the *Winding-up and Restructuring Act*, R.S.C. 1985, c.W-11 (“WURA”) and KPMG Inc. was appointed provisional liquidator;

4. On August 3, 2010, this Court granted an Order (the “Call for Policy Loss Claims Order”) approving a process in respect of the call for loss claims of holders under insurance policies issued by Reliance Canada (the “Policy Loss Claims”);

5. The Call for Policy Loss Claims Order fixed December 17, 2010 under Section 74 of the *WURA* as the last day on which Policy Loss Claims could be sent to the Liquidator;

6. The Liquidator is of the view that a thorough call for Policy Loss Claims process has been effected and that a process in respect of the disallowance of Policy Loss Claims is appropriate at this time;

7. A disallowance process would advance the resolution of a significant number of Policy Loss Claims and the ultimate wind-up of the estate;

8. Rule 37 of the *Rules of Civil Procedure*;

9. Section 35 of the *WURA*; and

10. 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 February 24, 2012; and
2. Such further and other material as counsel may advise and this Honourable Court permit.

Date: February 24, 2012

GOODMANS LLP
Barristers & Solicitors
The Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario
M5B 2M6

Gale Rubenstein (LSUC # 17088E)
Cathy Costa (LSUC # 46582L)
Tel: 416-979-2211
Fax: 416-979-1234

Lawyers for KPMG Inc.,
Liquidator of Reliance (Canada)

TO: Service List Attached

SERVICE LIST

TO: Torys LLP
79 Wellington St. W., Suite 3000
Box 270, TD Centre
Toronto, ON
M5K 1N2

David P. Chernos
Tel: 416-865-8246
Fax: 416-865-7380

Lawyers for the Property and Casualty Insurance Compensation Corporation

AND TO: Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON
M5H 3C2

Deborah S. Grieve
Tel: 416-860-5219
Fax: 416-350-6923
E-mail: dgrieve@casselsbrock.com

Lawyers for the Insurance Commissioner of the Commonwealth of Pennsylvania
as Liquidator of Reliance Insurance Company

AND TO: Allan L. Bromstein Professional Corporation
P.O. Box 24
1020 – 95 Wellington St. West
Toronto, Ontario
M5J 2N7

Allan L. Bromstein
Tel: 416-862-4396
Fax: 416-862-7736

Lawyer for Royal College of Dental Surgeons of Ontario

AND TO: **Office of the Superintendent of Financial Institutions**
121 King Street West
Toronto, Ontario
M5H 3T9

Norah Love
Tel: 416-973-1102
Fax: 416-952-1662
E-mail: norah.love@osfi-bsif.gc.ca

TAB 2