

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

COMMISSIONER OF THE
DEPARTMENT OF FINANCIAL
REGULATION
PLAINTIFF,

v.

DOCTORS AND SURGEONS
NATIONAL RISK RETENTION GROUP
IC, INC.
RESPONDENT.

CIVIL DIVISION
DOCKET NO. 559-916 Wncv

**MOTION FOR A SECOND INTERIM DISTRIBUTION ON
ALLOWED CLASS 3 CLAIMS**

Kevin J. Gaffney, Commissioner of the Vermont Department of Financial Regulation (“Commissioner”) in his capacity as Liquidator (“Liquidator”) of Doctors and Surgeons National Risk Retention Group IC, Inc. (“DSNRRG”), hereby submits this Motion for a Second Interim Distribution on Allowed Class 3 Claims (“Motion”) requesting that the Court enter an order increasing the interim distribution percentage on allowed priority class 3 claims from 20% to 42.9% so that the Liquidator may distribute substantially all estate assets not held in reserve to creditors with allowed priority class 3 claims.

1. Pursuant to the Plan of Liquidation approved by the Court on August 10, 2017, the Liquidator is required to “monitor DSNRRG’s financial condition and, as circumstances warrant, petition the Court to establish a distribution percentage for making interim payments on finally determined claims in priority class 3. See *id.*, ¶ 2.d. The Liquidator believes that the present circumstances – in which all of the claims filed in this proceeding have been finally determined or been fully secured by reserves – warrant an increase in the 20% interim

distribution percentage previously established by the Court for allowed priority class 3 claims. See Order Authorizing Distribution on Allowed Priority Class 1 Claims and an Interim Distribution on Allowed Class 3 Claims (“First Interim Distribution Order”), ¶ iii.

2. The Liquidator has investigated and finally determined all but one of the claims filed in this proceeding and for that final claim (which is policy-related and could therefore fall in priority class 3), the Liquidator has established a reserve equal to the remaining policy limit. The maximum possible value of the Company’s priority class 3 claims has therefore been established such that, after reserving funds to pay remaining administrative expenses, it is possible to calculate that the DSNRRG assets will be sufficient to fund a distribution on allowed priority class 3 claims of at least 42.9%. The Liquidator therefore requests that the interim distribution percentage for allowed priority class 3 claims be increased from 20% to 42.9% such that a second round of interim distributions may be made to creditors holding such claims.

Background

3. Seizure and Insolvency. On September 15, 2016, the Commissioner filed an *ex parte* Petition for Seizure Order pursuant to 8 V.S.A. § 7042(b) seeking, among other things, authorization to take possession and control of DSNRRG. The Court granted the Commissioner’s petition by its Order entered on September 15, 2016. After gaining control of DSNRRG’s assets and operations, the Commissioner concluded that the company was insolvent but that liquidation would be premature. Accordingly, the Commissioner requested that the Court place the company in rehabilitation, appoint him as rehabilitator, and approve a proposed rehabilitation plan (“Rehabilitation Plan”). The Court granted these requests in its Order for Rehabilitation of Doctors and Surgeons National Risk Retention Group IC, Inc., entered on October 7, 2016 (“Order for Rehabilitation”).

4. The Rehabilitation Plan. The flexible structure of the Rehabilitation Plan was superior to liquidation in many ways. Most notably, the Rehabilitation Plan allowed third-party claimants and policyholders to continue resolving disputes in their home jurisdictions, it avoided the disruption and expense of establishing a claim determination procedure and moving such disputes to Vermont, and it permitted a partial payment to claimants in the ordinary course of business. The key to the Rehabilitation Plan was the partial payment arrangement under which all policyholder-level claimants were to receive payment (and bear losses) at an equal rate. So long as the distribution rate for those payments was set at an appropriate level, it was possible in a rehabilitation setting to balance the interest of claimants with liquidated/determined claims and the interest of claimants with unliquidated/undetermined claims. Cf. 8 V.S.A. § 7083 (requiring such balancing in liquidation proceedings). The Rehabilitation Plan initially contemplated a 50% distribution rate that was reduced to 35% in December of 2016 when the company's third party administrator ("TPA") and actuarial consultants reported adverse loss development and uncertainty regarding the company's ultimate liabilities. See Rehabilitator's Second Status Report, filed December 20, 2016, ¶ 10. See also Order Approving Rehabilitator's Motion to Reduce Claim Distribution Level, entered December 27, 2016, ¶ 1.

5. The Petition for Liquidation. In the spring of 2017, the TPA updated its claims analysis and recommended significant increases in case reserves. The actuarial consultant then advised that further increases to DSNRRG's overall reserves were necessary but that the extent of the necessary reserve increases could not be estimated in an actuarially sound manner because the conditions essential for producing a credible reserve estimate (e.g. claim volume and stability in claim development) were not present. This meant that the reserve study underlying the 35% distribution rate was likely to have been understated, that the 35% distribution percentage risked

creating preferential transfers under 8 V.S.A. § 7067, and that there was no actuarially sound basis for establishing a revised (lower) distribution percentage. See Petition for Order of Liquidation for Doctors and Surgeons National Risk Retention Group IC, Inc., filed June 19, 2017 (“Liquidation Petition”), ¶¶ 7-9.

6. In light of this analysis, the Commissioner concluded that liquidation was necessary. He therefore filed the Liquidation Petition, requesting that the Court place DSNRRG in liquidation, appoint him as liquidator, and approve the Plan of Liquidation. Because it was not possible to establish an actuarially supported distribution percentage, the Liquidator did not seek authority to make an interim distribution on policyholder-level claims. Instead, the Plan of Liquidation contemplated that DSNRRG would cease all payments of defense and indemnity to its policyholder-level creditors. The Commissioner advised, however, that as Liquidator he would “closely monitor DSNRRG’s financial condition, and as circumstances warrant, petition the Court to establish a distribution percentage for making interim payments on finally determined claims in priority class 3.” Liquidation Petition, ¶ 20; Plan of Liquidation, ¶ 2.d. The Court approved the Plan of Liquidation in its Order of Liquidation entered on August 10, 2017 (“Order of Liquidation”).

7. The First Interim Distribution. In the summer of 2019, the Liquidator concluded that DSNRRG’s financial condition would permit an interim distribution on allowed priority class 3 claims. (He also sought authority to make payment on a handful of priority class 1 claims for administrative expense that had not been paid in the ordinary course). Accordingly, on August 29, 2019, the Liquidator petitioned the Court for authority to make 100% distributions on allowed priority class 1 claims and a 20% interim distribution on allowed priority class 3 claims. See Motion for Order Authorizing Distributions on Allowed Priority Class 1 Claims and an

Interim Distribution on Allowed Priority Class 3 Claims (“First Motion for Interim Distribution”). The First Motion for Interim Distribution described the statutory structure, discussed the necessity of balancing the interest of creditors with allowed claims and those with unliquidated/undetermined claims; and concluded that an interim distribution on allowed priority class 3 claims would be appropriate. See *id.*, ¶¶ 1, 10-12, and 14-16; see also 8 V.S.A. §§ 7081 (regarding priority classes) and 7083 (requiring that distributions be made in a manner that balances the need for expeditious completion of the proceeding and the protection of unliquidated/undetermined claims). See Affidavit of J. David leslie, Special Deputy Liquidator, in Support of Motion for a Second Interim Distribution on Allowed Class 3 Claims filed herewith, at ¶ 2 (hereinafter, “Leslie Aff., ¶ ___”).

8. The Liquidator requested authority to make a 100% distribution on allowed priority class 1 claims because these claims must be paid in full (or adequate funds reserved) before any other claims can be paid. See First Motion for Interim Distribution, ¶¶ 14 and 18; see also 8 V.S.A. §§ 7081 and 7083. The Liquidator then noted that priority class 2 will be empty because it includes the administrative expenses of guaranty associations which cannot possibly arise in this proceeding. See First Motion for Interim Distribution, ¶ 15; 15 U.S.C.A. § 3902(a) (prohibiting risk retention groups from participating in the guaranty fund system); 8 V.S.A. § 6054(a) (conforming provision in State law). Finally, the Liquidator evaluated estate assets and liabilities, established a conservative reserve for administrative expenses (\$750,000), determined that under those circumstances it was likely that all priority class 3 claims could receive a 25% distribution even in a “pessimistic scenario”, and recommended that the Court establish a 20% interim distribution rate to provide a “cushion” against adverse development. See First Motion for Interim Distribution, ¶¶ 16 and 19-20.

9. The Court granted the First Motion for Interim Distribution and authorized the proposed distributions in the First Interim Distribution Order. That authorization was contingent (as requested) upon first receiving a federal priority act release from the United States. The Liquidator received such a release on June 1, 2020, at which point he began the process of requesting payment instructions, verifying the absence of liens and Medicare/Medicaid liabilities, and distributing funds. The Liquidator has since disbursed a total of \$851,403 to creditors with allowed priority class 3 claims.¹ Leslie Aff., ¶ 2.

Statutory Structure

10. The liquidation statutes permit distributions “[u]nder the direction of the Court... in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third party claims.” 8 V.S.A. § 7083. In the case of an interim distribution, “assur[ing] the proper recognition of priorities” means establishing reserves sufficient to ensure that higher priority claims are paid in full. See 8 V.S.A. §§ 7081 (“Every claim in each class shall be paid in full or adequate funds retained for such payment before the members of the next class receive any payment”) and 7083. Similarly, “protect[ing] unliquidated and undetermined claims” means ensuring that sufficient funds are retained to ensure that all claims in a particular priority class will ultimately receive the same distribution percentage regardless of the time at which they are determined/liquidated. See 8 V.S.A. §§ 7081

¹ Substantial additional funds – more than \$339,000 – could have been distributed pursuant to the First Interim Distribution Order. Some creditors with allowed priority class 3 claims, however, did not respond to the Liquidator’s requests for payment instructions while others failed to cash their checks. In addition, one creditor declined to certify the absence of Medicare/Medicaid liens and did not agree to use any estate distribution to satisfy such liens. Creditors remain entitled to receive these funds and the Liquidator will reach out to the creditors again in connection with the proposed second interim distribution.

and 7083. Practically, this means that the estate assets must be marshalled then compared with the liabilities projected for each priority class.²

DSNRRG's Financial Condition

11. Estate Assets. DSNRRG's assets consist of cash and cash equivalents, credits for the interim distributions already made to creditors with allowed priority class 3 claims, and credits for payments made during the course of DSNRRG's rehabilitation. The value of the first two categories is known: the estate held cash and cash equivalents valued at \$2,325,733 as of August 31, 2022 and it has made interim distributions on allowed priority class 3 claims that total \$851,403. The value of the final category – credit for payments made in rehabilitation – must be estimated at this time because it is, in part, a function of the ultimate distributions made from the DSNRRG estate (a higher distribution percentage provides greater opportunity to apply setoffs). The Liquidator can calculate, however, that if the ultimate distribution percentage on allowed priority class 3 claims were to be 42.9% (see, *infra*, ¶ 17), the value of the rehabilitation-related credits would be approximately \$840,000. Accordingly, total estate assets were \$4,017,136 as of August 31, 2022. Leslie Aff., ¶ 3.

12. Priority Class 1 Liabilities. The first priority class is reserved for “[t]he costs and expenses of administration, during conservation, rehabilitation and liquidation.” 8 V.S.A. § 7081(1). All administrative expenses incurred to-date have been paid. See Order for Rehabilitation, ¶ (d) and Order of Liquidation, ¶ 5.A.iv (authorizing payment of administrative expenses in the ordinary course); First Interim Distribution Order, ¶ ii (authorizing 100%

² When considering the feasibility of a distribution, a liquidator will typically need to consider the potential application of the federal priority act. See First Motion for Interim Distribution, ¶¶ 12 and 13. The issue has been effectively resolved in this case by means of a Release Agreement dated June 1, 2020, in which the United States agrees to limit the circumstances in which it might assert personal liability in relation to administration of the DSNRRG estate. See, *supra*, ¶ 9.

distribution on allowed priority class 1 claims). In connection with the First Motion for Interim Distribution, the Liquidator established a conservative estimate of future administrative expenses which has been drawn down over time and would be \$425,603 as of August 31, 2022 if all other things were held equal.³ However, the Liquidator has determined that the likelihood of significant litigation expenses is greatly reduced at this time due to the final determination of all but one claim in the proceeding and the establishment of a limits reserve for that matter.⁴ The Liquidator's updated estimate, therefore, is that \$125,000 would be a conservative projection of remaining administrative expenses. The balance of the administrative expense reserve (approximately \$300,000) can therefore be released for use in paying claims falling in lower priority classes. Leslie Aff., ¶ 4.

13. Priority Class 2 Liabilities. Priority class 2 includes the administrative expenses of guaranty associations. See 8 V.S.A. § 7081(2). Because DSNRRG is a risk retention group and thus prohibited by law from participating in the guaranty fund systems, there are no guaranty association expenses associated with this proceeding and no possibility of any class 2 claim. See 15 U.S. Code Ann. § 3902(a); 8 V.S.A. § 6054(a).

14. Priority Class 3 Liabilities. Priority class 3 includes “all claims under policies”. 8 V.S.A. § 7081(3). If the Court approves the Seventh Report of Claims, the total value of allowed priority class 3 claims will be \$8,113,019. There is only one outstanding claim filed in the proceeding – proof of claim (“POC”) no. 127 – which seeks payment under a policy subject

³ The administrative expenses reserve remaining as of August 31, 2021 (the evaluation date of the most recent prior status report) was \$478,073. Over the following twelve months, the Liquidator has paid administrative expenses totaling \$52,470 such that, if no further action were taken, the administrative expense reserve would be \$425,603 at August 31, 2022.

⁴ The Liquidator established this reserve solely for the purpose of conservatism, so as to facilitate a further distribution to creditors with allowed priority class 3 claims, and takes no position as to the merits of the underlying dispute.

to a \$1,000,000 limit. That limit has been eroded through the payment of pre-liquidation defense expense such that the maximum amount in which POC 127 might be allowed is now \$930,605. The Liquidator has established a claim reserve at that level which means that the highest possible value for DSNRRG's priority class 3 obligations is \$9,043,623. Leslie Aff., ¶ 5.

15. Priority Classes 4-10 Liabilities. Priority classes 4 through 10 include all other claims filed with the Liquidator. 8 V.S.A. § 7081. Because the Liquidator anticipates that estate assets will be insufficient to pay all claims falling in priority class 3, no distribution on claims falling in priority classes 4-10 will be possible. It is therefore unnecessary to either evaluate the amount in which such claims might be allowed (see Plan of Liquidation, ¶ 2.b) or to establish reserves regarding these classes. See 8 V.S.A. §§ 7081 and 7083. See Leslie Aff., ¶ 5.

Proposed Increase in Interim Distribution Percentage for Priority Class 3

16. Every claim in each class must be paid in full (or adequate funds retained for such payment) before the members of the next class receive any payment. 8 V.S.A. § 7081. The Liquidator therefore begins with total estate assets (\$4,012,478), sets aside \$125,000 as a reserve against future administrative expense (i.e. priority class 1 obligations), and calculates that assets available to pay priority class 3 claims total \$3,887,478. The Liquidator has determined that the total value of all priority class 3 claims can be no greater than \$9,043,623. See supra, ¶ 13. The DSNRRG estate should, therefore, be able to make a distribution on allowed priority class 3 claims of at least 42.9%.⁵ Leslie Aff., ¶ 6.

17. The Liquidator recommends that the Court increase the interim distribution percentage on allowed priority class 3 claims to 42.9% so as to distribute substantially all estate

⁵ \$3,887,478 (assets available to pay priority class 3 claims) / \$9,043,623 (maximum possible value of priority class 3 claims) = 42.986%

assets not held in reserve to creditors in the residual priority class. In practice this would involve retaining \$125,000 in cash as a reserve for administrative expense, retaining \$399,229 in cash as a reserve securing policy limits for POC 127, and disbursing substantially all remaining assets (\$1,788,115) to creditors with allowed priority class 3 claims.⁶ The Liquidator anticipates that a modest final distribution from the DSNRRG estate should be possible at the close of the proceeding (i.e. after POC 127 is determined) when it will be clear whether portions of the administrative expense and POC 127 claim reserves can be released. Leslie Aff., ¶ 7.

WHEREFORE, the Liquidator requests that the Court enter an order:

- (a) Granting this Motion for a Second Interim Distribution on Allowed Class 3 Claims;
- (b) Increasing the interim distribution rate on priority class 3 claims from 20% to 42.9%; and,
- (c) Granting such other and further relief as justice may require.

Dated in Montpelier, Vermont, this 21st day of September, 2022.

KEVIN J. GAFFNEY, COMMISSIONER
DEPARTMENT OF FINANCIAL REGULATION
AS LIQUIDATOR OF DOCTORS AND
SURGEONS NATIONAL RISK RETENTION
GROUP IC, INC.

/s/Jennifer Rood

Jennifer Rood
Assistant General Counsel and Special
Assistant Attorney General
89 Main Street
Montpelier, VT 05620
(802) 828-5672
jennifer.rood@vermont.gov

⁶ Remaining limits are \$930,604.60. If POC 127 were allowed in that amount, a 42.9% distribution on the claim would be \$399,229. The Liquidator calculates that, after accounting for setoffs, a 42.9% distribution on allowed priority class 3 claims would result in a disbursement of \$1,788,115. This is 99.7% of the cash not retained in reserve for administrative expense or to secure policy limits for POC 127.

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

)
COMMISSIONER OF THE)
DEPARTMENT OF FINANCIAL)
REGULATION)
PLAINTIFF,)

v.)

)
DOCTORS AND SURGEONS)
NATIONAL RISK RETENTION GROUP)
IC, INC.)
RESPONDENT.)
_____)

CIVIL DIVISION
DOCKET NO. 559-916 Wncv

**AFFIDAVIT OF J. DAVID LESLIE, SPECIAL DEPUTY LIQUIDATOR, IN SUPPORT OF
MOTION FOR A SECOND INTERIM DISTRIBUTION ON ALLOWED CLASS 3 CLAIMS**

I, J. David Leslie, being sworn, hereby state as follows:

1. Doctors and Surgeons National Risk Retention Group IC, Inc. (“DSNRRG”) was placed in liquidation by the Court’s Order of Liquidation entered on August 10, 2017. The Commissioner of the Department of Financial Regulation was appointed as Liquidator (“Liquidator”) by that order and he, in turn, appointed me to serve as Special Deputy Liquidator. I submit this affidavit in support of the Liquidator’s Motion for a Second Interim Distribution on Allowed Class 3 Claims.

2. The First Interim Distribution. In the summer of 2019, the Liquidator concluded that DSNRRG’s financial condition would permit an interim distribution on allowed priority class 3 claims. (He also sought authority to make payment on a handful of priority class 1 claims for administrative expense that had not been paid in the ordinary course). Accordingly, on

August 29, 2019, the Liquidator petitioned the Court for authority to make 100% distributions on allowed priority class 1 claims and a 20% interim distribution on allowed priority class 3 claims (“First Motion for Interim Distribution”). The Court granted the Liquidator’s motion and authorized the proposed distribution in its order dated September 6, 2019 (“First Interim Distribution Order”). That authorization was contingent (as requested) upon first receiving a federal priority act release from the United States. The Liquidator received such a release on June 1, 2020, at which point he began the process of requesting payment instructions, verifying the absence of liens and Medicare/Medicaid liabilities, and distributing funds. The Liquidator has since disbursed a total of \$851,403 to creditors with allowed priority class 3 claims.¹

3. Estate Assets. DSNRRG’s assets consist of cash and cash equivalents, credits for the interim distributions already made to creditors with allowed priority class 3 claims, and credits for payments made during the course of DSNRRG’s rehabilitation. The value of the first two categories is known: the estate held cash and cash equivalents valued at \$2,317,469 as of August 31, 2022 and it has made interim distributions on allowed priority class 3 claims that total \$851,403. The value of the final category – credit for payments made in rehabilitation – must be estimated at this time because it is, in part, a function of the ultimate distributions made from the DSNRRG estate (a higher distribution percentage provides greater opportunity to apply setoffs). The Liquidator can calculate, however, that if the ultimate distribution percentage on allowed priority class 3 claims were to be 42.9% (see, *infra*, ¶ 6), the value of the rehabilitation-

¹ Substantial additional funds – more than \$300,000 – could have been distributed pursuant to the First Interim Distribution Order. Some creditors with allowed priority class 3 claims, however, did not respond to the Liquidator’s requests for payment instructions while others failed to cash their checks. In addition, one creditor declined to certify the absence of Medicare/Medicaid liens and did not agree to use any estate distribution to satisfy such liens. Creditors remain entitled to receive these funds and the Liquidator will reach out to the creditors again in connection with the proposed second interim distribution.

related credits would be approximately \$840,000. Accordingly, total estate assets were \$4,012,478 as of August 31, 2022.

4. Priority Class 1 Liabilities. In connection with the First Motion for Interim Distribution, the Liquidator established a conservative estimate of future administrative expenses which has been drawn down over time and would be \$425,603 as of August 31, 2022.² However, the Liquidator has determined that the likelihood of significant litigation expenses is greatly reduced at this time due to the final determination of all but one claim in the proceeding and the establishment of a limits reserve for that matter.³ The Liquidator's updated estimate, therefore, is that \$125,000 would be a conservative projection of remaining administrative expenses. The balance of the administrative expense reserve (approximately \$300,000) can therefore be released for use in paying claims falling in lower priority classes.

5. Priority Class 3 Liabilities. If the Court approves the Liquidator's Seventh Report of Claims, filed herewith, the total value of allowed priority class 3 claims will be \$8,113,019. There is only one outstanding claim filed in the proceeding – proof of claim (“POC”) no. 127 – which seeks payment under a policy subject to a \$1,000,000 limit. That limit has been eroded through the payment of pre-liquidation defense expense such that the maximum amount in which POC 127 might be allowed is now \$930,605. The Liquidator has established a claim reserve at that level which means that the highest possible value for DSNRRG's priority class 3 obligations

² The administrative expenses reserve remaining as of August 31, 2021 (the evaluation date of the most recent prior status report) was \$478,073. Over the following twelve months, the Liquidator has paid administrative expenses totaling \$52,470 such that, if no further action were taken, the administrative expense reserve would be \$425,603 at August 31, 2022.

³ The Liquidator established this reserve solely for the purpose of conservatism, also as to facilitate a further distribution to creditors with allowed priority class 3 claims, and takes no position as to the merits of the underlying dispute.

is \$9,043,623. The Liquidator anticipates that estate assets will be insufficient to pay all claims falling in priority class 3

6. Given total estate assets of \$4,012,478 and a \$125,000 reserve against future administrative expense (i.e. priority class 1 obligations), assets available to pay priority class 3 claims total \$3,887,478. Where the total value of all priority class 3 claims can be no greater than \$9,043,623, the DSNRRG estate should be able to make a distribution on allowed priority class 3 claims of at least 42.9%.⁴

7. The Liquidator recommends that the Court increase the interim distribution percentage on allowed priority class 3 claims to 42.9% so as to distribute substantially all estate assets not held in reserve to creditors in the residual priority class. In practice this would involve retaining \$125,000 in cash as a reserve for administrative expense, retaining \$399,229 in cash as a reserve securing policy limits for POC 127, and disbursing substantially all remaining assets (\$1,788,115) to creditors with allowed priority class 3 claims.⁵ The Liquidator anticipates that a modest final distribution from the DSNRRG estate should be possible at the close of the

⁴ $\$3,887,478$ (assets available to pay priority class 3 claims) / $\$9,043,623$ (maximum possible value of priority class 3 claims) = 42.986%

⁵ Remaining limits are \$930,604.60. If POC 127 were allowed in that amount, a 42.9% distribution on the claim would be \$399,229. The Liquidator calculates that, after accounting for setoffs, a 42.9% distribution on allowed priority class 3 claims would result in a disbursement of \$1,788,115. This is 99.7% of the cash not retained in reserve for administrative expense or to secure policy limits for POC 127.

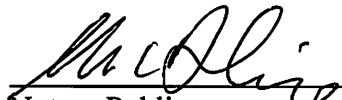
proceeding (i.e. after POC 127 is determined) when it will be clear whether portions of the administrative expense and POC 127 claim reserves can be released.



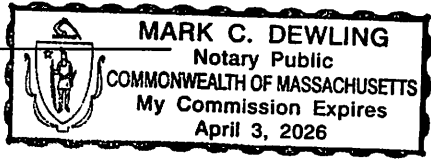
J. David Leslie
Special Deputy Liquidator

Dated: September 20, 2022

Subscribed and sworn to before me
this 20th day of September, 2022



Notary Public
My commission expires:



STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

_____))
 COMMISSIONER OF THE)
 DEPARTMENT OF FINANCIAL)
 REGULATION)
 PLAINTIFF,)
)
 v.)
)
 DOCTORS AND SURGEONS)
 NATIONAL RISK RETENTION GROUP)
 IC, INC.)
 RESPONDENT.)
 _____)

CIVIL DIVISION
DOCKET NO. 559-916 Wncv

[PROPOSED]
ORDER AUTHORIZING SECOND INTERIM
DISTRIBUTION ON ALLOWED CLASS 3 CLAIMS

This matter having come before the Court by motion of the Commissioner of the Vermont Department of Financial Regulation in his capacity as Liquidator (“Liquidator”) of Doctors and Surgeons National Risk Retention Group IC, Inc. (“DSNRRG”), for an order increasing the interim distribution percentage on allowed priority class 3 claims from 20% to 42.9% pursuant to 8 V.S.A. §§ 7081 and 7083, it is ORDERED that the Liquidator’s Motion for a Second Interim Distribution on Allowed Class 3 Claims is hereby APPROVED and the Liquidator is authorized to make interim distributions on allowed priority class 3 claims at a 42.9% rate.

Superior Court Judge

Dated: _____, 2022.