

## **Frequently Asked Questions About United Contractors Insurance Company, Inc., a Risk Retention Group, in Liquidation ("UNITED CONTRACTORS")**

### **1. What is a Liquidation Proceeding?**

When an insurance company is impaired, insolvent, in unsound condition, or its further transaction of insurance would be hazardous to its policyholders, the Delaware Insurance Code authorizes the Insurance Commissioner of the State of Delaware to ask the Court of Chancery of the State of Delaware for an Order directing the Commissioner to liquidate the insurance company.

A Liquidation Order directs the Commissioner, in her capacity as Receiver, to (i) take or maintain possession of the property of the insurer, (ii) conduct the insurer's business, and (iii) take such steps to liquidate (wind-up the affairs of) the business of the insurer as the Court shall direct.

### **2. Who is in charge of UNITED CONTRACTORS during the Liquidation Proceeding?**

The Receiver is in charge of UNITED CONTRACTORS during the Liquidation Proceeding. On August 21, 2013, the Court signed a Liquidation and Injunction Order appointing the Commissioner as Receiver of UNITED CONTRACTORS. The Court issued a corrected Liquidation and Injunction Order on August 22, 2013, but the date the company was ordered liquidated remains August 21, 2013.

The Receiver has appointed George J. Piccoli as the Deputy Receiver to carry out the responsibilities of the Receiver with respect to the liquidation of UNITED CONTRACTORS. The Deputy Receiver will appoint other persons to assist him in the Liquidation Proceedings. Only persons appointed by the Receiver or Deputy Receiver to assist in liquidating UNITED CONTRACTORS will have authority to act on behalf of UNITED CONTRACTORS.

### **3. Why was UNITED CONTRACTORS placed into Liquidation?**

Based upon audit adjustments in July 2013 to the financial statements filed by UNITED CONTRACTORS, the Court of Chancery of the State of Delaware found that UNITED CONTRACTORS was in unsound condition and in such condition as to render its further transaction of insurance presently or prospectively hazardous to its policyholders. Subsequently, the Court found that UNITED CONTRACTORS was insolvent. UNITED CONTRACTORS consented to the commencement of the Liquidation Proceeding.

**4. Am I required to file a proof of claim by the Bar Date of February 27, 2015?**

If you have a claim against UNITED CONTRACTORS and wish to pursue that claim, you must file a proof of claim by the Bar Date of **February 27, 2015**, for your claim to be considered in one of the priority classes. If you intend to file a claim, the Receiver strongly suggests that you file a proof of claim form as early as possible in the UNITED CONTRACTORS estate. If you fail to file a properly completed, timely proof of claim in the UNITED CONTRACTORS estate, you might be disqualified from participating in a higher priority class or from receiving distributions of assets that might eventually become available for your class of claims.

**5. How do I file a proof of claim in the UNITED CONTRACTORS estate?**

A proof of claim must be submitted by the Bar Date, which is **February 27, 2015**. Claims submitted after that date are considered late filed and are assigned to a lower Priority Class.

The proof of claim form is enclosed, along with a set of instructions. A copy of both documents are also posted on the website at the link referenced in these FAQs. All proof of claim forms must be signed and notarized, and the original signatures of the claimant and notary must be submitted to the Deputy Receiver at the address on the proof of claim form. Proofs of claim cannot be submitted electronically or by facsimile. Documents that support your claim must be attached to the proof of claim. Please answer all applicable questions on the proof of claim form. Missing information will slow the processing of your claim.

Additionally, you should submit a separate proof of claim form for each claim that you have against UNITED CONTRACTORS. For instance, if you are an insured of UNITED CONTRACTORS and have both a claim for a return of unearned premium (the portion of the premium which you already paid for the period between the cancellation date of your policy and the stated expiration date on your policy) and a claim against you arising out of an alleged injury, please submit a separate proof of claim for each of those claims. Provide as much detail as needed to support your claim on your proof of claim form.

The Receiver strongly encourages all potential claimants to submit their proofs of claim as soon as possible to avoid a claim being considered untimely filed after the **February 27, 2015**, Bar Date.

**6. What happens to my claim against UNITED CONTRACTORS?**

The Liquidation and Injunction Order includes injunctions against certain conduct. Please read the Liquidation and Injunction Order carefully as there are penalties for violations of the injunctions. No proceedings against UNITED CONTRACTORS or

any of its insureds may proceed for 180 days from the entry of the Liquidation and Injunction Order.

As a result of the entry of the Liquidation and Injunction Order, UNITED CONTRACTORS is not able to pay its claims at this time. Over time the Receiver will liquidate the assets of UNITED CONTRACTORS and evaluate the claims against the UNITED CONTRACTORS estate. Once the Receiver has concluded the claim evaluations, the Receiver will make recommendations to the Court. Once the process of liquidating the assets and determining the liabilities of the estate has been completed, the remaining available assets will be distributed to classes of claimants in the priority order established in the Delaware statute at 18 Del. C. §5918(e).

**7. What happens to my service contract with UNITED CONTRACTORS?**

The Liquidation and Injunction Order enjoins any vendor or other party under any contract from proceeding to act for or on behalf of UNITED CONTRACTORS or from binding UNITED CONTRACTORS without the express written authorization from the Deputy Receiver or the Receivership Court. You **might** be authorized to continue providing services under your contract **if** the Deputy Receiver determines that it is advisable for the estate to authorize you to do so. Without the express written authorization of the Deputy Receiver, no vendor or other contracting party may take any action concerning the Assets, business or affairs of UNITED CONTRACTORS.

**8. Whom can I contact if I have a question regarding UNITED CONTRACTORS and/or the Liquidation Proceeding?**

**You can call (302) 483-7177 or write to:**

**UNITED CONTRACTORS INS CO INC RRG IN LIQ  
c/o Delaware Insurance Department  
Bureau of Rehabilitation and Liquidation  
704 N. King Street, Suite 602  
Wilmington, DE 19801**

Additional information regarding the UNITED CONTRACTORS receivership will be posted from time to time under the link for UNITED CONTRACTORS at: **[http://delawareinsurance.gov/departments/berg/rehab\\_bureau.shtml](http://delawareinsurance.gov/departments/berg/rehab_bureau.shtml)** (Please note that there is an underline between the words “rehab” and “bureau” in the website address.)

Dated: September 4, 2013