

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

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DEC 12 2018

STATE OF TENNESSEE
ex rel. JULIE MIX McPEAK,
COMMISSIONER OF COMMERCE
AND INSURANCE FOR THE STATE OF
TENNESSEE,

Petitioner,

v.

THE RECIPROCAL ALLIANCE (RRG),
a Tennessee Domiciled Insurance
Company,

Respondent.

NF
No. 03-295-(IV)

Day, Co. Chancery Court
2018 DEC 18 PM 2:26
FILED
CLERK & MASTER
DAVIDSON CO. CHANCERY CT.
SCA
DC&M

RT ~~PROPOSED~~ ORDER APPROVING THE DESTRUCTION OF TRA
RECORDS AND DOCUMENTS,
THE CATEGORIES OF WHICH ARE SET FORTH IN EXHIBIT A HERETO

Before the Court is the TRA Liquidator's Motion, filed November 30, 2018, requesting approval of the destruction of records and documents, the categories of which are set forth in Exhibit A to that Motion.

In her Motion, the TRA Liquidator, through her Special Deputy Receiver, moves the Court, pursuant to T.C.A. § 56-9-336, to approve the destruction of TRA and TRA Receivership/Liquidation Estate records and documents that are no longer of any use in these proceedings. Attached as Exhibit A to the instant Motion are the categories of documents and records currently maintained and stored by the TRA Special Deputy Receiver (and/or his counsel) which are recommended to the Court as being of no further use in the TRA Liquidation Proceedings.

The TRA Liquidator, through her Special Deputy Receiver, sets forth in the instant Motion that the TRA Liquidation Estate is retaining various documents and records that will be needed, or potentially needed, regarding matters still to be addressed in the TRA Liquidation Proceedings. Only the documents and records, the categories of which are set forth in Exhibit A to the instant Motion, are recommended for destruction. The instant Motion further states that destruction of the documents and records at issue would result in a reduction of storage expenses being incurred by the TRA Liquidation Estate.

Notice of the instant Motion was provided by the TRA Special Deputy Receiver to the Tennessee Attorney General's Office and through posting a copy of the instant Motion on the Tennessee Department of Commerce and Insurance's website, which the Court deems as adequate notice. The Court further notes that no objections or responses to the instant Motion have been filed.

Accordingly, upon consideration of the instant Motion and Exhibit A thereto, and upon consideration of the record before it relating to the TRA Liquidation Proceedings, the Court GRANTS the instant Motion.

The TRA Liquidator, by and through her Special Deputy Receiver, is hereby authorized to destroy the records and documents of TRA and/or the TRA Receivership/Liquidation, the categories of which are set forth in **Exhibit A** to this Order.

Finally, the Court finds that the relief granted in this Order does not address all matters at issue in the TRA Liquidation Proceeding but that reliance upon the certainty of the relief granted herein – i.e. the approval of the destruction of the records and documents, the categories of which are set forth in **Exhibit A** to this Order – is needed for the TRA Liquidation Proceedings to progress to closure. The Court finds that there is no just reason for delay and the Clerk and

Master is instructed to enter this Order as a final order regarding the matters addressed herein.

Rule 54.02 Tenn. R. Civ. P.

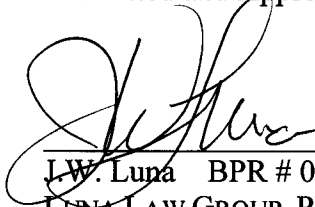
The TRA Liquidator, by and through her Special Deputy Receiver, is instructed to post a copy of this Order, as soon as practicable after entry, upon the Tennessee Department of Commerce and Insurance website (<https://www.tn.gov/commerce/insurance/company-resources/insurance-company-actions.html>).

It is so ORDERED this the _____ day of December, 2018.



Honorable Russell T. Perkins
Chancellor

Submitted and Approved for Entry,



LW. Luna BPR # 005870
LUNA LAW GROUP, PLLC
333 Union Street, Suite 300
Nashville, TN 37201
615.254.9146

*Counsel for The Reciprocal Alliance (RRG)
in Liquidation Special Deputy Receiver*

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been delivered by e-mail transmission and U.S. Mail, First Class postage prepaid, to the following on this 12th day of December, 2018:

Sarah A. Hiestand, Senior Counsel
Office of the Attorney General
State of Tennessee
Post Office Box 20207
Nashville, TN 37202-0207
Sarah.Hiestand@ag.tn.gov

I further certify that a copy of this Proposed Order was posted on the Tennessee Department of Commerce and Insurance website (<https://www.tn.gov/commerce/insurance/company-resources/insurance-company-actions.html>) on or about this the 12th day of December, 2018.



J.W. Luna

EXHIBIT A

1. CLAIM FILES: For all three RRGs – these are claim materials that were not connected to a POC filing;
2. POLICY FILES: For all three RRGs – these are policy underwriting file materials that were not connected to an unearned premium or indemnity POC filing;
3. TRA DEDUCTIBLE RESEARCH FILES (RRG work papers);
4. UNEARNED PREMIUM POC FILES (except as to those unearned Premium POC files that related to unclaimed funds);
5. “ELECTRONIC DUMP” FILES: Work papers and related material regarding the electronic transfer of information from Virginia entity (the Reciprocal Group - “TRG”) regarding insureds/claims computer system (AS400 system);
6. VIRGINIA AUDIT PAPERS: Papers generated in preparation of a claims procedure audit conducted by the Virginia entities Reciprocal of American (ROA) and TRG;
7. FARMER AND LUNA DISCOVERY DOCUMENTS: Papers previously housed at the offices of Farmer and Luna (counsel for TRA) relating to discovery in litigation with ROA and TRG;
8. JANE TAYLOR AUDIT DOCUMENTS: Notes and materials from a consultant (Jane Taylor) hired by the RRGs regarding claims review and related issues;
9. INVENTORY CHECK-OFF PAPERS: Inventory materials regarding records received from ROA and/or TRG;
10. DUPLICATE INVOICE FILES: Old defense fee invoices from old claims that did not connect to a POC filing;
11. TENCO REPORTS: Copies of claims reports from TENCO;
12. DIR AND TRA UNEARNED PREMIUM “LOWER THAN CLASS 2” MAILING: Work papers;
13. ANLIR/DIR/TRA AUDIT FILES: Work papers from one of the ROA/TRG audits of RRAO claim processing;
14. COMPLETE INVENTORY MASTER COPIES: RRAO work papers creating “complete inventory” of the RRG boxes of records;
15. PREMIUM DETAILS RESEARCH: RRAO work papers researching premium info for unearned premium filings;
16. JERE P. COWAN MISCELLANEOUS LITIGATION RESEARCH AND TO-DOS;
17. JERE P. COWAN MISCELLANEOUS LITIGATION RESEARCH – US ATTORNEY REQUEST;

18. "NEW" CLAIM FILES (PURPLE FILES): Correspondence received from RRAO regarding claims that were not connected to a POC filing;
19. "NOT OUR INSUREDS" NEW CLAIMS FILES NOT REGISTERED IN AS 400: Correspondence received at RRAO regarding claims that were not connected to a POC filing against persons identified as "Not Our Insured";
20. TRA POLICY FILES AND OLD CLAIM FILES/CLOSED CLAIMS;
21. ANLIR CLOSED CLAIMS: Pre-receivership closed claim files;
22. "AL COUNSEL" BOXES: Claim records for RRG AL attorneys (most were pre-receivership claims);
23. TRA DEDUCTIBLE RECOVERY FILES;
24. JERE P. COWAN'S OFFICE CONTENTS;
25. POC FORM REQUESTS: Correspondence to RRAO seeking POC forms for filing;
26. TRA NPDB FILES: Drafts for NPDB reportings;
27. DIR NPDB FILES: Drafts for NPDB reportings;
28. MAX THEODORE'S OFFICE MATERIALS – MISCELLANEOUS;
29. ROA DISCOVERY ANSWERS/RESPONSES;
30. PREMIUM BEARING ENDORSEMENT FILES: RRAO records from mail received from insureds making changes that impacted their coverage (e.g. "I cancel" or "add", etc.). RRAO provided such information to VA to update the AS 4000 system regarding same;
31. POC/NOD FILES: POC claim files from claimants with the connected policy and supporting materials (except for those files that relate to unclaimed finds claims);
32. MASTER NOD SET: "Copy set" of all NODs mailed; and
33. RRG counsel records and documents relating to closed litigation matters, pleadings that are duplicative of filings with the particular courts of record, and claim files and working files of claims that have been reviewed, adjudicated, approved by final order of this Court, paid and closed.