

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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In re:

The Diocese of Camden, New Jersey,

Debtor.

Case No.: 20-21257 (JNP)

Chapter: 11

Honorable Jerrold N. Poslusny

INTERSTATE FIRE & CASUALTY COMPANY'S JOINDER IN LONDON MARKET INSURERS' OBJECTION TO THE DEBTOR'S MOTION FOR ENTRY OF AN ORDER (A) APPROVING DISCLOSURE STATEMENT; (B) ESTABLISHING PLAN SOLICITATION, VOTING, AND TABULATION PROCEDURES; (C) SCHEDULING A CONFIRMATION HEARING AND DEADLINE FOR FILING OBJECTIONS TO PLAN CONFIRMATION; AND (D) GRANTING RELATED RELIEF¹

Interstate Fire & Casualty Company ("Interstate"), hereby joins in the objection filed by Certain Underwriters at Lloyd's, London and Certain London Market Companies (collectively "LMI") on March 10, 2021 as ECF Doc. No. 472 ("LMI's Objection") objecting to the *Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code Describing Chapter 11 Plan Proposed by the Debtor-In-Possession*, filed on December 31, 2020, ECF No. 305 ("Disclosure Statement");

¹ This Objection is intended to replace and supersede Interstate's Objection, filed on January 27, 2021 [ECF Doc. No. 381], in response to the original disclosure statement.

and the *Motion for Entry of an Order (A) Approving Disclosure Statement; (B) Establishing Plan Solicitation, Voting, and Tabulation Procedures; (C) Scheduling a Confirmation Hearing and Deadline for Filing Objections to Plan Confirmation; and (D) Granting Related Relief*, filed by the Diocese of Camden, New Jersey (“Debtor”), on February 16, 2021, ECF No. 415 (“Motion”), and respectfully states as follows:

1. Interstate issued excess liability indemnity policies to the Debtor effective during annualized periods from November 27, 1978 to November 27, 1986 (the “Interstate Policies”).

2. The Interstate Policies generally “follow form” to the underlying coverage issued by LMI, the provisions of which are incorporated as part of the Interstate Policies; thus, with respect to the Interstate Policies, the Plan raises similar issues as those described in the LMI Objection in connection with the LMI policies.

3. The Interstate Policies provide excess liability indemnity coverage excess of the Diocese’s self-insured retentions (“SIRs”) and the underlying excess indemnity policies subscribed to by LMI.

4. The excess coverage provided by the Interstate Policies is not triggered, and those policies do not provide any coverage or have any coverage obligation, unless and until the Diocese’s SIRs and the underlying limits of liability in the LMI policies are properly exhausted by covered payments for ultimate net loss for injury occurring during the time the policy was in effect.

5. The Interstate Policies provide coverage for an accident or happening or event which unexpectedly and unintentionally results in personal injury or property damage during the policy period. Thus, the Interstate Policies provide no coverage for any claim arising from abuse which occurred before November 27, 1978 or after November 27, 1986, i.e., before or after the Interstate Policies were in effect.

6. Also, the Sexual or Physical Abuse Exclusion Endorsement and/or the Errors & Omission Limitation Endorsement, both applicable to the policy in effect from November 27, 1985 to November 27, 1986, bar coverage for claims against an insured arising out of sexual or physical abuse or molestation that occurred during the period November 27, 1985 to November 27, 1986.

7. As such, for the reasons set forth in LMI's Objection, the Interstate Policies likewise may not provide coverage for some or all of the claimants' alleged injuries, and may not provide any compensation to them for their claims.

8. For the reasons set forth in LMI's Objection, the Debtor's Motion should be denied because (a) the Disclosure Statement describes a patently unconfirmable Chapter 11 Plan of Reorganization ("Plan"), (b) the Disclosure Statement provides inadequate and misleading information to creditors; and (c) the Motion provides a facially impossible confirmation schedule.

WHEREFORE, for the foregoing reasons, and for the reasons set forth in LMI's Objection [ECF Doc. No. 472], the Disclosure Statement should not be approved until it and the Plan have been amended accordingly.

Dated: March 10, 2021

Respectfully submitted,

RIVKIN RADLER LLP

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