

Receivership Claims and Appeal Procedure

1. Claims are submitted to the Special Deputy Receiver (“SDR”) on or before the last date for filing such claims as directed by the Court. The SDR is not required to process any claims in a class until it appears that assets will be available for distribution to that class. If there are insufficient assets to process claims for a class, the SDR shall notify the Court and may make a recommendation to the Court for the processing of any such claims. As of submission of this Receivership Claims and Appeal Procedure, the SDR is notifying the Court that there are insufficient assets to process claims other than administrative expenses of the receivership companies. Thus, the SDR recommends that the adjudication of the next class of claimant (*i.e.*, policyholders and then creditors) be deferred to save receivership costs until sufficient asset marshaling is made in the receivership that justifies the adjudication of these claims, except that the SDR may adjudicate certain policyholder or creditor claims as may be necessary to pursue reinsurance or other asset recoveries for the receivership companies.
2. All claims submitted to the SDR shall set forth in reasonable detail the amount of the claim, or the basis upon which that amount can be ascertained, the facts upon which the claim is based, and the priorities asserted, if any. All such claims must be verified by the affidavit of the claimant, or someone authorized to act on the behalf of the claimant and having knowledge of the facts, and be supported by such documents as may be material thereto.
3. Within ninety (90) days after the last date for filing a claim, as directed by the Court, and subject to the above provisions herein, the SDR shall determine whether to approve or deny, in whole or in part, each claim filed with the SDR pursuant to this Receivership Claims and Appeal Procedure. Again, subject to the above provisions of this claims and appeal procedure, the SDR shall mail, by first-class mail, postage prepaid, to each claimant that filed a claim with the SDR, written notice of the determination regarding the claim.
4. The SDR shall submit to the Court a report on the determination of the SDR on each claim approved in whole or in part.
5. Not more than sixty (60) days after the mailing of the written notice pursuant to section 3 herein, or pursuant to the submission of the report to the Court pursuant to section 4 herein, whichever occurs later, a person may file with the SDR an objection to the determination of the SDR on the claim the subject of the mailed “written notice” or the “report” to the Court.
6. If an objection is filed to the SDR’s claim determination pursuant to section 5 herein, the SDR shall submit to the Court a report on the determination of the SDR on each claim to which an objection has been filed. The Court shall fix a time for a hearing on such claims and shall direct the SDR to give notice of the hearing. The notice provided by the SDR must:

- a. Be sent to the claimant by first-class mail, postage prepaid, not more than thirty (30) days and not less than ten (10) days before the hearing, on any claim to which an objection has been filed; and
 - b. Specify the time and place of the hearing.
7. A hearing may be conducted by the Court or by a master or referee appointed by the Court. If a hearing is conducted by a master or referee, the master or referee shall submit findings of fact and recommendations to the Court. The Court shall enter an order approving or denying, in whole or in part, a claim filed against an insurer. Any such order is an appealable order.
8.
 - a. An order by the trial court may be appealable to the Supreme Court of Nevada in accordance with Nevada Supreme Court Rules.
 - b. An order by the trial court that is not timely appealed to the Supreme Court of Nevada is deemed “final.”
 - c. Failure to file with the SDR a timely objection to the determination of the SDR on a claim waives any right the Claimant may have to pursue his or her claim against the insurer, and the SDR’s claim determination becomes final and not appealable.