STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT

JOHN A. TIBBS and MARGARET B. TIBBS,

Plaintiffs,

v.

3M COMPANY, *et al.*,

Defendants.

and

CAPE PLC, individually and as successor in interest to CAPE ASBESTOS COMPANY LIMITED, by and through its duly appointed Receiver Peter D. Protopapas,

Third-Party Plaintiff,

v.

ANGLO AMERICAN PLC, individually and as successor in interest to ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LTD.; DE BEERS PLC, individually and as successor in interest to DE BEERS S.A.; DE BEERS CENTENARY AG; DE BEERS CONSOLIDATED MINES LTD., n/k/a DE BEERS CONSOLIDATED MINES PROPRIETARY LTD.; DE BEERS UK LTD.; DE BEERS JEWELLERS LTD.; DE BEERS JEWELLERS US, INC.; ANGLO AMERICAN US HOLDINGS INC.; ELEMENT SIX US CORP.; ELEMENT SIX TECHNOLOGIES US CORP.; ELEMENT SIX TECHNOLOGIES (OR) CORP.; FIRST MODE HOLDINGS, INC.; PLATINUM GUILD INTERNATIONAL (U.S.A.) JEWELRY INC.; LIGHTBOX JEWELRY INC.; FOREVERMARK US INC.; ANGLO AMERICAN CROP NUTRIENTS (U.S.A.), LLC; CHARTER CONSOLIDATED LTD.; ESAB CORPORATION; CENTRAL MINING & INVESTMENT CORPORATION LTD.; CAPE HOLDCO LTD.; THE LAW

C.A. No. 2023-CP-40-01759

In Re: Asbestos Personal Injury Litigation Coordinated Docket

THIRTEENTH REPORT TO THE SUPREME COURT OF SOUTH CAROLINA PURSUANT TO ITS ORDER OF REMAND DATED JUNE 26, 2025

RECEIVED

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SC SUPREME COURT

DEBENTURE CORPORATION PLC; CAPE INDUSTRIAL SERVICES GROUP LTD.; MOHED ALTRAD; ALTRAD UK LTD.; CAPE UK HOLDINGS NEWCO LTD.; ALTRAD SERVICES LTD., f/k/a CAPE INDUSTRIAL SERVICES LTD.; ALTRAD INVESTMENT AUTHORITY S.A.S.; SPARROWS OFFSHORE GROUP LTD.; HAWK BIDCO US INC.; ARRANCO US, LLC; SPARROWS OFFSHORE, LLC; THE SPARROWS GROUP, LLC,

Third-Party Defendants.

Pursuant to the South Carolina Supreme Court's Order of Remand in this matter, dated June 26, 2025, in which the Court asked that I submit monthly reports as to my progress in addressing the directives from the Court contained in its Remand Order, this will constitute my Thirteenth Report.

Since my Twelfth Report to this Court, I have continued to review materials concerning cases on the Asbestos Docket, including matters involving the trial or settlement resolution of cases in which a Receiver has been appointed in the matter. I have also continued to administer the Asbestos Trial Docket, which includes hearing pre-trial matters considering Petitions for the approval of settlements and performing all other administrative duties involving the trial of cases on the Asbestos Docket.

On June 29, 2026, a letter was mailed to The Honorable Patricia A. Howard, Clerk of the South Carolina Supreme Court, regarding C.A. No. 2023-CP-40-01759, which is the civil action number for the *Tibbs* case, from Attorney Alan Turner, attorney for Certain Underwriters at Lloyd's, London and Certain London Market Insurers (CLMI). CLMI, insurers for ACL, and its related ACL insurers are the remaining defendants in the *Tibbs* case. Mr. Turner is not admitted to practice in South Carolina and is not admitted *pro hac vice* in the *Tibbs* case. In Mr. Turner's letter, he comments at length on references in my Amended Tenth and Eleventh Reports regarding the *Berley* case (C.A. No. 2023-CP-40-02840) and the *Jenkins* case (C.A. No. 2024-CP-40-04703), mesothelioma cases in which controversies about enforcing settlements made by Mr. Turner's clients are pending before me. Mr. Turner is not a listed counsel or a *pro hac vice* admitted counsel in either of those cases. Mr. Turner did not copy me on his letter to the Supreme Court. I was informed of this communication by Josh D. Cagle, who represents the plaintiffs in the *Berley* and *Jenkins* cases. Mr. Cagle's letter to Patricia A. Howard, Clerk of Court, dated July 10, 2026, is a completely accurate record of recent activities before me in these matters. Mr. Turner's claim that neither CLMI nor its third-party claims administrator, Resolute Management Inc, attended or were informed of the mediation is totally untrue. ACL and Resolute were represented at the mediation of *Berley* on June 13, 2024, and when the case was resolved with ACL on July 29, 2024. On April 24, 2025, Mr. Cagle mediated the *Jenkins* case with ACL and its insurers, including Resolute/CLMI as he details in his letter to the Court of July 10, 2026. I have conducted detailed hearings aimed at enforcing each of these settlements.

I am also pleased to report the latest activities regarding receiverships in the asbestos personal injury litigation coordinated docket. On July 21, 2026, Peter Protopapas, court appointed receiver, rendered a very comprehensive accounting of his activities as receiver from November 2, 2018, to March 1, 2026. I have attached the report to this letter. It is a very comprehensive description of the success of the asbestos receiverships and a well-developed blueprint for the continued use of receiverships and qualified settlement funds to provide a secure vehicle for the continued resolution of cases on the asbestos docket.

I continue to manage the Asbestos Docket, conduct pretrial hearings, and administer the trial blocks as indicated in my previous reports. I am pleased to report that the South Carolina Asbestos Receiverships continue to function productively and are being embraced by many of the insurers involved.

Respectfully submitted,

Chief Justice (Ret.) Jean Hoefer Toal
Presiding Circuit Court Judge

Dated July 22, 2026,
Columbia, South Carolina

Peter D. Protopapas, Receiver
2110 N Beltline Blvd – Columbia, South Carolina 29204 – 803.978.6111 – pdp@rplegalgroup.com

July 21, 2026

VIA HAND DELIVERY
Chief Justice Toal

Dear Chief Justice Toal,

Please find enclosed a copy of the filed Comprehensive Report of the Receiver in *Peter D. Protopapas, as Receiver v. Covil Corporation, et al.*, C.A. No. 2023-CP-40-01466.

Sincerely,

Peter D. Protopapas
Receiver

IN RE: ASBESTOS PERSONAL INJURY LITIGATION COORDINATED DOCKET

COMPREHENSIVE REPORT OF THE RECEIVER

An Accounting of the Activities of Peter D. Protopapas serving as the Duly Court-Appointed Receiver for Certain Companies on the South Carolina Asbestos Docket

November 2, 2018–March 1, 2026

s/ Peter D. Protopapas
Peter D. Protopapas, *Court-Appointed Receiver*
SC Bar No. 68304
2110 N. Beltline Blvd
Columbia, SC 29204
pdp@rplegalgroup.com

July 21, 2026

July 21, 2026

The Honorable Jean Hoefer Toal
Chief Justice of South Carolina (retired)
Chief Administrative Judge, Asbestos Docket
Post Office Box 12456
Columbia, South Carolina 29211

RE: *Comprehensive Report of Asbestos-Related Receivership Activities*

Dear Chief Justice Toal:

I respectfully submit the accompanying Comprehensive Report of the Receiver ("Report") in furtherance of my duties as Court-appointed Receiver for certain asbestos-related receiverships over which this Court has jurisdiction. The Report is intended to provide a summary and accounting of the activities undertaken by the Receiver from November 2, 2018, the date of the original appointment in the Covil Corporation matter, through the reporting period ending March 1, 2026.

For ease of reference, the Report is organized into five Parts. Part I describes the origins of asbestos-related receiverships in South Carolina and the corresponding legal authority. Part II outlines the administrative framework associated with receivership activities, including the identification and marshaling of legacy insurance assets, the collaborative defense model that has evolved in partnership with South Carolina's leading defense firms, the use of policy stipulations and Court-approved qualified settlement funds ("QSFs"), and the medical and evidentiary criteria applied in the evaluation of underlying asbestos claims. Part III presents, for illustrative purposes, a detailed case study of the J.R. Deans Company, Inc. ("J.R. Deans") receivership. Part IV provides a statistical summary of pertinent receivership-related activity to date. Part V sets forth public-policy considerations and describes the process governing the conclusion or termination of the receiverships.

As of March 1, 2026, the receiverships over which the Court has appointed me to serve as Receiver have distributed a total of $113,433,784 in settlement payments to claimants with meritorious asbestos claims. There have been 1,841 claims filed against the receivership entities. Of those claims, 550 have been dismissed without payment, 456 have been settled, and the remainder are actively pending and being defended on behalf of the receivership entities by some of the most prominent and experienced defense firms and lawyers in South Carolina.[1]

[1] Claim and settlement data referenced throughout the Report are provided by insurer-appointed defense counsel through the reporting period. Additionally, as described more fully herein, *infra* note 3, claim and settlement data for the following receiverships are specifically excluded: (1) Atlas Turner, Inc. f/k/a Atlas Asbestos Company ("Atlas Turner"); (2) Asbestos Corporation Ltd. ("ACL"); (3) Cape Plc, individually and as successor in interest to Cape Asbestos Company Ltd., n/k/a Cape Intermediate Holdings, Ltd. ("Cape"); and (4) Whittaker Clark & Daniel ("WCD"). Therefore, the referenced claim and settlement data only account for the 18 defunct-company receiverships over which the Receiver has been appointed.

I am grateful for the opportunity to serve the Court in this capacity. I remain prepared to address any questions the Court may have regarding this Report, and to supplement the same as the Court may deem necessary and appropriate.

s/ Peter D. Protopapas
Peter D. Protopapas, *Court-Appointed Receiver*
SC Bar No. 68304
2110 N. Beltline Blvd
Columbia, SC 29204
pdp@rplegalgroup.com

ACKNOWLEDGMENT

This Report is the product of, and has been possible only because of, the sustained cooperation and professionalism of many individuals and institutions.

First, I acknowledge the Chief Administrative Judges of the Asbestos Docket, past and present. Beginning with Judge John Hamilton Smith and his 1982 Scheduling Order, through Judge John Hayes (1994), Judge Larry Patterson (2002), and Justice D. Garrison Hill (2009), and continuing with Chief Justice Jean Hoefer Toal (retired) (2017), each has served with distinction. Recognizing the unique nature of asbestos litigation, these jurists have provided effective oversight of matters that would otherwise impose upon the dockets of circuit courts throughout this State.

Second, I thank the defense lawyers (and their law firms) who have undertaken representation of the receivership entities, including those with Pierce Sloan Kennedy & Early, LLC; Nelson Mullins Riley & Scarborough, LLP; Burr & Forman LLP; Ellis & Winters, LLP; Parker Poe Adams & Bernstein, LLP; Maynard Nexsen, PC; and Cosmich Simmons & Brown, PLLC. The collaborative model described in Part II of this Report is, in significant measure, a product of their professionalism and their willingness to approach these engagements as ordinary defense matters, vigorously investigated and rigorously evaluated. These attorneys have provided experienced counsel and have zealously advocated for the best interests of their respective receivership clients.

Third, I appreciate the numerous plaintiffs' firms and individual lawyers who have worked with the Receiver to implement sequencing methodologies, claim-submission protocols, and medical criteria, all of which have helped identify claims for voluntary dismissal where compensation was not warranted and allowed finite receivership resources to be directed first to the most serious injuries and meritorious claims.

Finally, I recognize certain insurance carriers and their coverage counsel whose good-faith participation has produced policy stipulations and qualified settlement funds, which, in turn, have facilitated meaningful compensation for South Carolinians injured by asbestos exposures. The Receiver's work with these carriers is, and has always been, oriented toward compelling insurers to provide the coverage they originally underwrote and for which premiums were paid—nothing more, and nothing less.

Thanks to the collective involvement and assistance of the parties and participants identified above, I am confident this Report will reflect a process that has been effective, equitable, and efficient, not only for claimants but also for all stakeholders including insurers and direct and downstream tort defendants.

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EXECUTIVE SUMMARY

Asbestos litigation is the longest-running mass tort in American history. In the more than fifty years since 1969, more than 850,000 lawsuits have been filed against more than 11,000 corporate defendants. Because of the decades-long latency period that separates exposure to asbestos from the manifestation of asbestos-related disease, mesothelioma diagnoses and the associated litigation are expected to continue in the United States into the 2050s. South Carolina is not an exception.

This Report accounts for the activities undertaken since November 2, 2018, when the Receiver was first appointed by the South Carolina Court of Common Pleas to administer certain asbestos-related receiverships on the Asbestos Docket. That appointment recognized a need for a representative of defunct entities following a sustained period during which certain South Carolina companies that had manufactured, distributed, or installed asbestos-containing products, and that had thereafter ceased to exist as operating entities, continued nonetheless to appear as named defendants in South Carolina asbestos lawsuits. For years, counsel representing some of these defunct companies—in reality, counsel retained by and answerable only to the companies' legacy insurers—represented to plaintiffs and to the Court that there were no (or only limited) assets available to respond to meritorious asbestos claims. As the South Carolina Court of Appeals later observed, the record reflected "years of concerning conduct on the part of [insurers] and others as they prepared for the onslaught of asbestos litigation to come." *Protopapas v. Wall, Templeton & Haldrup, P.A.*, 442 S.C. 217, 227, 898 S.E.2d 150, 155 (Ct. App. 2023).

The receivership model utilized by this Court addresses that conduct, directly and remedially. By appointing a Receiver who stands in the shoes of the defunct entity, the Court ensures that there is a qualified, third party—an officer of the Court, not of the insurers—who is obligated to identify the defunct entity's assets, marshal them, and deploy them in the defense of claims and, where appropriate, in the compensation of meritorious asbestos claimants. The assets in question are primarily occurrence-based comprehensive general liability policies issued decades ago, policies that by their terms continue to respond to bodily injury that occurs during a policy period, regardless of when the injury is diagnosed and regardless of the bankruptcy or insolvency of the insured.

The model has worked effectively and efficiently. Key results of the receiverships, as of March 1, 2026, include the following[2]:

- **$113,433,784 distributed** in connection with settlements of meritorious asbestos claims.
- **1,841 total claims** filed against the receivership entities, of which 456 have been settled, 550 have been dismissed without payment, and the balance remain active.
- **10 court-approved Qualified Settlement Funds** established to compensate asbestos plaintiffs with meritorious claims.
- **Over $45 million in previously undiscovered insurance assets marshaled in the Covil receivership alone**, resulting in over $69 million in aggregate settlements since the Receiver's appointment in 2018—as compared to under $500,000 in aggregate settlements over the period from 1992 to 2016 when Covil's insurers controlled its defense under the

[2] *See supra* note 1 relating to claim and settlement data as provided by insurer-appointed defense counsel.

regime of concerning conduct referenced by the Court of Appeals in *Protopapas v. Wall Templeton & Haldrup P.A.*

- **1 receivership fully concluded** through appropriate exhaustion of the insurance assets in its QSF—the natural and intended endpoint of every receivership.

Equally important are results the numbers do not fully reflect. Overwhelmingly, the claims filed against these receivership entities have been dismissed—not paid—because rigorous investigation and evaluation by insurer-appointed defense counsel, working with the Receiver and the legacy insurers, determined these claims lacked merit. The collaborative defense model described in Part II of this Report has been characterized by defense counsel themselves as "rather ordinary litigation" in which the insurers, the Receiver, and the defense firms "reach a consensus on each and every case." *See* Tr. of Status Conference (Asbestos) 57–58, *Protopapas as Receiver v. Beaty Investments, et al.*, Case No. 2023-CP-40-01466 (S.C. Comm. Pl. Oct. 25, 2024).

This Report is not a final report. Other than the example of the closed receivership mentioned above, the receiverships remain active. The claims against the entities in receivership are ongoing. The insurance assets available to respond to those claims are finite but not yet exhausted. Many of these insurance assets are being contested in ongoing insurance coverage litigation. In time, as asbestos-related disease diagnoses taper toward the projected end of the litigation around 2056, each receivership will complete this wind-up process and be closed. Until that time, the Receiver will continue to report to this Court on the activities, distributions, and progress of each matter, and the Receiver will continue to administer each receivership in accordance with the laws of this State and the orders of this Cour

INTRODUCTION

The devastation of asbestos-related disease has touched every state and will continue to do so for the foreseeable future. Tens of thousands of South Carolinians worked long hours at nuclear plants, paper mills, textile mills, shipyards, and other industrial facilities during the decades when asbestos was the insulating material of choice. Many returned home carrying asbestos fibers on their clothes, unknowingly exposing their spouses and children. Many brought their children to work, proud to show the trade they practiced. Small, family-owned South Carolina businesses opened to insulate these industrial facilities, to sell and distribute asbestos-containing materials, or both. Those businesses, and the large national corporations whose products they installed, purchased comprehensive general liability insurance in the ordinary course, as responsible businesses do.

The small and mid-sized contractors and distributors that operated in South Carolina during the relevant decades are, for the most part, no longer in business. They have dissolved, forfeited their charters, been sold, or otherwise ceased operations. But their insurance policies—the occurrence-based comprehensive general liability insurance policies they purchased during their operating years—remain, and by their own terms those policies continue to respond to bodily injury occurring from exposures that took place during the relevant time periods. That is a remarkable feature of legacy liability insurance coverage, and it is central to everything this Report describes. Because asbestos-related diseases have latency periods often exceeding forty years (meaning that someone exposed to asbestos often will not receive a cancer diagnosis until four or more decades after that exposure), a mesothelioma diagnosis delivered to a South Carolinian in 2026 frequently implicates insurance policies issued in the 1960s, 1970s or 1980s—policies whose carriers collected premiums, whose underwriters calculated those premiums based on the precise risk that the policies would one day be called upon to respond to claims, and whose contractual obligations survive the insolvency of the insured.

This Report describes how this Court, through the equitable vehicle of receivership, has facilitated those decades-old insurance policies being available to injured South Carolinians, and how the Receiver has worked with defense counsel, plaintiffs' counsel, and the carriers themselves to ensure that the claims actually paid are claims that merit such payments. The Report is comprised of five parts. Part I describes the history of asbestos litigation in South Carolina, the particular circumstances of the Covil Corporation matter that gave rise to the first receivership appointment in 2018, and the legal authority under which the Receiver acts. Part II describes in detail the administrative framework that has developed across the receiverships. Part III offers a case study—J.R. Deans Company, Inc. ("J.R. Deans")—together with a summary of the other receiverships currently under the Receiver's administration. Part IV presents statistical data on claims activity, dispositions, and distributions. Part V sets forth the public-policy considerations that underlie the model and also describes how each receivership is intended, eventually, to end. Four appendices provide supporting materials.

I. THE SOUTH CAROLINA ASBESTOS RECEIVERSHIP MODEL

A. The Legacy of Asbestos Litigation in South Carolina

1. Asbestos and Its Industrial Use

Asbestos is a group of naturally occurring fibrous minerals whose resistance to heat, decay, and water made it, for much of the twentieth century, a valuable industrial insulator. Its unique fire-resistance was recognized in antiquity and celebrated by writers throughout the medieval and early modern periods; but its transformation into a mass-consumed commodity was a product of the industrial age. By the middle of the twentieth century, asbestos was incorporated into insulation products used in virtually every significant industrial setting in the United States—including, in South Carolina, the nuclear facilities of the Savannah River Site, the paper mills along the coast and the Pee Dee, the textile mills of the upstate, the shipyards of the Lowcountry, and countless smaller industrial, commercial, and residential operations. It was used for pipe insulation, boiler insulation, gasket and packing material, thermal covering, and the internal components of certain valves, pumps, turbines, and other high-temperature equipment.

The Centers for Disease Control has estimated that approximately 27.5 million American workers were occupationally exposed to asbestos during the twentieth century, with many millions more exposed secondhand through family members or through occupational settings not immediately involving asbestos work. Exposure to asbestos fibers, when inhaled, can cause mesothelioma, lung cancer, and asbestosis. Mesothelioma is a cancer of the pleural or peritoneal lining. It is painful, it has no cure, and it is fatal. Asbestosis is a chronic fibrotic lung disease caused by significant and prolonged exposure. Like mesothelioma, it is incurable; unlike mesothelioma, it progresses more slowly and, over time, may cause physical impairment or death.

2. The South Carolina Asbestos Docket

In 1982, Judge John Hamilton Smith issued a standing Scheduling Order for asbestos cases in South Carolina—an early recognition that the volume, latency, and scientific complexity of asbestos litigation required active judicial management distinct from ordinary civil litigation. In 1994, Judge John Hayes was appointed Chief Administrative Judge of the Asbestos Docket. He was succeeded by Judge Larry Patterson in 2002, by Justice D. Garrison Hill in 2009, and by Chief Justice Jean Hoefer Toal (retired) in 2017. The Asbestos Docket's continuous institutional presence for more than four decades is an essential feature of the environment in which the receivership model has been employed.

Because of the long latency period of asbestos-related disease, claims filed in South Carolina today frequently involve exposures that took place between the 1950s and the 1980s. The sources of exposure to asbestos typically include industrial facilities where miles of piping conveyed extremely hot material from one process location to another. Piping systems of that scale involved thousands of flanges, pumps, valves, and similar devices; between each of these elements were gaskets and packing materials, and around each system was thermal insulation. Maintenance, repair, and replacement of any element required disturbing the insulation, breaking into thermal coverings, and cutting gasket and packing material—operations that generated airborne dust containing asbestos fibers. Workers in these facilities were exposed to the resulting dust either in their direct operations or simply by working nearby. It is common for multiple plaintiffs in different lawsuits to allege exposure to asbestos at the same facility during overlapping time periods.

Since 1969, more than 850,000 individual lawsuits have been filed against more than 11,000 distinct corporations. Since that time, more than 125 asbestos defendant corporations have filed for bankruptcy protection, and the estimates of total litigation costs range into the billions of dollars. Because of the long latency period of asbestos-related diseases – it is anticipated that mesothelioma diagnoses and associated litigation will continue until at least 2056. This Court must plan, and this Receiver must administer, with that timeframe in mind.

B. Genesis: The Covil Corporation Receivership

The asbestos receivership model described in this Report originated with a specific set of facts concerning one South Carolina company: Covil Corporation.

1. Covil's Operations and Dissolution

Covil Corporation, a South Carolina company, ceased business operations in 1991 and was administratively dissolved in 1992. From at least 1964 until 1991, Covil installed, removed, and repaired asbestos-containing thermal insulation at industrial and commercial facilities. It is alleged that, through at least 1986, Covil's operations involving the repair, replacement, removal, and disturbance of insulation exposed persons working at those facilities to asbestos. Personal-injury plaintiffs have continued to sue Covil for asbestos-related injuries despite its 1992 administrative dissolution.

During its operation, Covil purchased comprehensive general liability insurance from a series of insurance carriers. After Covil ceased operations, certain of those insurers controlled the defense of asbestos lawsuits filed against the company. These insurers retained defense counsel, made litigation and settlement decisions, and determined how to use and dispose of Covil's remaining assets—which consisted almost entirely of Covil's own insurance policies. No independent officer was acting on Covil's behalf during this period of time (1992-2018).

2. Pre-Receivership Defense Strategy

As a result, the defense strategy pursued in Covil's name was designed to serve certain of the insurers' interests rather than Covil's. Certain insurer-retained counsel represented to plaintiffs and courts that Covil was a defunct company with limited resources. Discovery responses were minimal. Cases were settled for nuisance values because plaintiffs believed representations that limited money was available to pay Covil's asbestos claims. Between 1976 and 2016—a forty-year period—Covil collectively settled hundreds of lawsuits for a total aggregate amount of less than $500,000. During that same period, certain insurers destroyed evidence of Covil's historic insurance policies and policy-related documents. The South Carolina Court of Appeals, reviewing the resulting record, observed that "[t]he record reveals years of concerning conduct on the part of [certain insurers] and others as they prepared for the onslaught of asbestos litigation to come." *Protopapas v. Wall, Templeton & Haldrup, P.A.*, 442 S.C. 217, 227, 898 S.E.2d 150, 155 (Ct. App. 2023).

3. The *Finch* Verdict and the 2018 Defaults

The success of this improper approach came to an abrupt end in October 2018, when a jury in the Middle District of North Carolina returned a $32.7 million verdict against Covil in *Finch v. Covil Corporation*, No. 1-16-cv-01077 (M.D.N.C. Oct. 5, 2018). Certain of Covil's insurers had rejected a pre-verdict settlement demand within policy limits. The *Finch* verdict was a direct consequence of the very insurer-controlled defense strategy described above: counsel presented Covil as a defunct company of no substance, the jury evidently concluded otherwise, and the judgment greatly exceeded the amounts Covil's insurers had collectively paid to resolve all of Covil's asbestos claims in the preceding forty years.

Weeks later, in two unrelated asbestos cases filed in the South Carolina Court of Common Pleas, Covil failed to respond after service. Defaults were entered in both cases. Plaintiffs' counsel in those cases moved for the appointment of a receiver. *See Taylor v. Air & Liquid Sys. Corp.*, C.A. No. 2018-CP-40-04940 (S.C. Comm. Pl. Nov. 2, 2018); *Hill v. Advance Auto Parts*, C.A. No. 2018-CP-40-04680 (S.C. Comm. Pl. Nov. 2, 2018).

4. The November 2, 2018 Appointment Order and the March 4, 2019 Clarification Order

On November 2, 2018, the Court granted the plaintiffs' motion and appointed Peter D. Protopapas as the Receiver of Covil Corporation, with "the right and obligation to administer any insurance assets of Covil Corporation as well as any claims related to the actions or failure to act of Covil's insurance carriers." Order Appointing a Receiver for Covil Corporation, *Taylor*, C.A. No. 2018-CP-40-04940, at 1 (Nov. 2, 2018). On March 4, 2019, the Court issued an order clarifying the scope of the appointment. Because "the Court has jurisdiction over all asbestos related cases in South Carolina," the clarification order confirmed, the Receiver was "appointed in all asbestos related cases and for all asbestos related matters." *See* Order Granting the Receiver for Covil Corporation's Motion to Clarify the Receivership Order, *Taylor*, at 1 (Mar. 4, 2019).

5. Outcomes Following Appointment

Following the Receiver's appointment, two things happened in close sequence. First, Covil's carriers were held accountable for their role in the *Finch* verdict and ultimately satisfied their contractual and extra-contractual obligations to the *Finch* plaintiffs. Second, the Receiver, acting in the shoes of the insured entity and using tools such as subpoenas *duces tecum*, letters to third parties, and Freedom of Information Act requests, identified and marshaled more than $45 million of previously undiscovered Covil insurance assets into a dedicated fund available to compensate South Carolinians with legitimate asbestos claims against Covil. Since the Court's appointment of the Receiver and subsequent to the *Finch* resolution, Covil and its insurers have collectively settled meritorious asbestos cases for over $69 million.

C. Legal Authority and Statutory Framework

1. The Equitable Basis of Receivership

The authority under which this Court appoints receivers is of an equitable origin. As the South Carolina Supreme Court observed in 2025, "[t]he equitable right to have a Receiver is 'an ancient one.'" *Welch v. Advance Auto Parts*, 445 S.C. 640, 658, 916 S.E.2d 320, 330 (2025) (quoting *Pelzer v. Hughes*, 27 S.C. 408, 416, 3 S.E. 781, 785 (1887)). Its roots "reach back to Elizabethan times when English courts appointed Receivers to manage and preserve the assets of a debtor's estate when there was a risk the debtor was purposefully diminishing it." *Id.*

The South Carolina Supreme Court in *Welch* explained the role of a Receiver in the following terms:

> A Receiver is an officer of the court, appointed to marshal and collect—to receive—the assets of the corporation. In that sense, the Receiver stands in the corporation's shoes. The effect of appointing a receiver means that the Receiver, as a 'hand of the court,' exercises power and control over the defendant's assets and property specified in the appointment order and administers them at the court's discretion for the benefit of creditors and the debtor's estate. Title, though, remains in the defendant's name. A Receiver must administer the estate in compliance with the appointing order and 'in accordance with the laws of this State.'

Id. at 659, 916 S.E.2d at 330 (internal citations omitted). A Receiver is an officer of the Court, whose authority is defined by the appointment order and by state law.

2. The South Carolina Receivership Statute

Section 15-65-10 of the South Carolina Code of Laws governs the appointment of receivers and provides, in relevant part, that a receiver may be appointed:

> (1) Before judgment, on the application of either party, when he establishes an apparent right to property which is the subject of the action and which is in the possession of an adverse party and the property, or its rents and profits, are in danger of being lost or materially injured or impaired, except in cases when judgment upon failure to answer may be had without application to the court;
>
> (2) After judgment, to carry the judgment into effect;
>
> (3) After judgment, to dispose of the property according to the judgment or to preserve it during the pendency of an appeal or when an execution has been returned unsatisfied and the judgment debtor refuses to apply his property in satisfaction of the judgment;
>
> (4) When a corporation has been dissolved, is insolvent or in imminent danger of insolvency or has forfeited its corporate rights, and, in like cases, of the property within this State of foreign corporations; and
>
> (5) In such other cases as are provided by law or may be in accordance with the existing practice, except as otherwise provided in this Code.

The statute thus allows the appointment of a receiver before judgment under subsection (1); after judgment under subsections (2) and (3); and, as is principally relevant here, "at any time, either before or after judgment" under subsections (4) and (5), when a corporation has been dissolved, is insolvent, or has forfeited its corporate rights, or in other cases provided for by law or existing practice.

The statute, by design, supplies little guidance on the scope of a receiver's authority; that scope is set forth in the appointment order, which may be tailored over time based on evolving circumstances. The statutory and equitable check on potential receiver overreach is direct: the Receiver, as an officer of the Court, answers to the very judge who appointed him, and may be removed, supervised, or redirected at any time.

3. Rule 66 of the South Carolina Rules of Civil Procedure

Rule 66 of the South Carolina Rules of Civil Procedure governs the practice of receiverships once established. Rule 66(a) provides that "an action in which a receiver has been appointed shall not be dismissed except by order of a court." Rule 66(a) further provides that "[t]he practice in the administration of estates by receivers or by other similar officers appointed by the court shall be in accordance with the laws of this State," and that in all other respects the action in which the appointment is sought—"or which is brought by or against a receiver"—is governed by the ordinary rules of civil procedure.

Rule 66(b) establishes the general powers of a receiver:

> In addition to the powers conferred by law, every receiver of the property and effects of a debtor shall, unless restricted by order of the court, have general power and authority to sue for and collect the debts, demands and rents belonging to the debtor, and to compromise and settle such as are of a doubtful value. He may also sue and defend in the name of the debtor where it is necessary or proper for him to do so.

Rule 66(b), SCRCP. Taken together, Rule 66(a) and (b) confer upon a receiver the power to (i) initiate litigation, (ii) compromise and settle litigation, and (iii) defend litigation on behalf of the entity in receivership—unless and until the appointing court orders otherwise.

4. *Welch*, *Tibbs* and the Status of Insurance Policies as Receivership Assets

The question of whether comprehensive general liability policies are "property within this State" over which a South Carolina court may appoint a receiver was definitively resolved by the South Carolina Supreme Court in 2025. In *Welch*, the Court held:

> We hold any Insurance Assets owned by Atlas Turner that may cover Mr. Welch's injuries are properly within the Receivership estate, meaning those Insurance Assets are within South Carolina's exclusive jurisdiction. Further, it is well established that a Receiver has the right and duty to collect and accumulate the property and assets of the defendant specified in the appointment order, including its rights and claims.

Welch, 445 S.C. at 666, 916 S.E.2d at 334 (internal citations omitted). *Welch* forecloses the argument that insurance carriers and their coverage counsel have raised to challenge this Court's receivership power, and it is the controlling authority in this State for the fact that legacy comprehensive general liability coverage constitutes a proper receivership asset. On May 27, 2026, the South Carolina Supreme Court issued its opinion in *Tibbs* affirming the validity of the appointment of a receiver under subsection 5. In *Tibbs*, the Supreme Court reaffirmed *Welch*, holding that insurance policies and legal and equitable claims of a corporation that could result in receipt of assets responsive to a plaintiffs' pending claims are proper assets of the receivership estate. *See Tibbs v. 3M Company*, ___ S.C. ___, ___ S.E.2d ___, 2026 WL 1477371 (2026).

D. Current Asbestos Receivership Appointments

As of the end of the reporting period, the Receiver has been appointed over 22 receivership entities.[3] A full schedule of appointments, together with the date of appointment, the appointing case, and aggregate claim and settlement numbers, is contained in Appendix A.

II. Administration of the Receiverships

Once appointed, the Receiver's work in any given receivership follows a sequence of related administrative activities. This Part describes each of those activities. Although the sequence is not rigidly linear—several activities typically proceed in parallel, and the configuration of any particular receivership depends on the assets available, the posture of the legacy insurance carriers, and the volume of claims—the eight subsections that follow together describe the framework under which the Receiver operates.

A. Marshaling of Insurance Assets

1. The Nature of the Assets

The principal assets of virtually every asbestos receivership are occurrence-based comprehensive general liability insurance policies issued to the receivership entity during its operating years. These policies were sold, premiums paid, and premiums were calculated, in an era when "occurrence" was often defined as "an accident including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured." Most of these policies contain a provision substantially to the effect that "bankruptcy or insolvency of the insured or of the insured's estate will not relieve [the insurance company] of any of its obligations" under the policy.

Two features of these policies are of particular importance in this context. First, coverage is triggered when injury or damage takes place during the policy period. As one of the principal drafters of the 1965 standard "occurrence" language explained at the time, "the policy in force when a particular injury or damage takes place is the one which applies, regardless of when the causing accident took place"—meaning that a single exposure can produce losses on each side of a renewal date and, indeed, over a period of years, with a separate policy applying each year.

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[3] Eighteen of the receivership entities are defunct companies whose insurance coverage is known, at least in part, to the Receiver, and these are in various stages of the receivership process. The Receiver has been appointed over four other entities but, for various reasons, the Receiver is not engaged in the process described herein. First, WCD and ACL were placed into bankruptcy outside of South Carolina, and the receiverships over these entities are therefore stayed. Second, Atlas Turner was engaged in appellate review of the Receiver's appointment order for an extended period, which delayed the initiation of the investigatory phase. Third, Cape, a foreign entity, both has a complicated corporate history and has undertaken extensive efforts to obscure its relationships with insurers, including by directly threatening the insurers to prevent them from answering the Receiver's request for coverage information. As a result, the standard investigatory phase has been delayed in the Cape receivership.

Jeffrey W. Stempel, *Assessing the Coverage Carnage: Asbestos Liability and Insurance After Three Decades of Dispute*, 12 CONN. INS. L.J. 349, 368–69 (2005/2006) (quoting Gilbert L. Bean, Address at the Mutual Insurance Technical Conference on New Comprehensive General and Automobile Program (Nov. 15–16, 1965)).

Second, the bankruptcy-or-insolvency clause means that the insurance obligations survive the failure, bankruptcy, or dissolution of the insured. When the carriers underwrote these risks, they priced the premiums to reflect the risks, and then they accepted the premium payments they set for the insurance policies they had written. In short, their contractual obligations do not disappear when the premium-paying insured goes out of business.

2. The Due-Diligence Process

When the Receiver is appointed over a new receivership entity, the first phase of work is a systematic due-diligence review to identify the entity's historic insurance program. Because most receivership entities have been defunct for decades, this work typically requires significant reconstructive effort. The principal tools the Receiver deploys are:

- Subpoenas *duces tecum* to legacy insurers, successors-in-interest of legacy insurers, surplus-lines carriers, brokers, former clients, and the entity's former officers and their successors-in-interest.
- Letters of inquiry to third-party record holders, including law firms that once represented the entity, financial institutions that held the entity's accounts, accountants, tax preparers, and former employees.
- Freedom of Information Act requests to federal and state agencies that may have received filings or correspondence from the entity, including the South Carolina Secretary of State, the Internal Revenue Service, the Occupational Safety and Health Administration, and any regulatory body with oversight of the entity's industry.
- Searches of comprehensive insurance databases and coverage archives, including those maintained by the insurance industry's own associations and by secondary market data providers.
- Review of the entity's own case files from prior asbestos or other litigation to the extent those files can be obtained from prior defense counsel or from court records.

Key to the Receiver's investigation is also piecing together the kind of work the defunct entity did and where the defunct company operated, and when the defunct entity was operating at a particular jobsite. When it is known that a receivership entity worked at a particular industrial or commercial site, the Receiver can then send targeted subpoenas *duces tecum* requesting documents—including invoices, proposals and certificates of insurance—related to the defunct entity's operations during a specific time frame. Additionally, many if not all the industrial and commercial sites required contractors to maintain and provide evidence of insurance prior to commencing work. Proof of insurance was often provided to the jobsite by the defunct entity's insurance broker in the form of a certificate of insurance—which typically provides who the insurance company providing coverage is, who the insured is, the different insurance coverage packages (umbrella/comprehensive general liability/worker's compensation/etc.), and the limits of liability. Knowing the type of work an entity was performing, where the work was being done, how long the defunct entity operated at a site, and discovering certificates of insurance are all critical in the

Receiver's investigatory stage. Much of this information can help insurance appointed defense counsel defend the receivership entity during the normal course of asbestos litigation.

The due-diligence period does not end. New information about a receivership entity's historic insurance coverage continues to emerge throughout the life of the receivership—sometimes as a byproduct of coverage litigation, from another party or its counsel, or from an insurance carrier's own records. The Receiver's obligation to marshal and collect the receivership estate is a continuing one.

3. Post-Identification Pathways

Once a general understanding of a receivership entity's insurance coverage has been developed, the administration of the receivership proceeds along one or more of three pathways. Those pathways are not mutually exclusive: a given receivership may proceed under any, all, or none of these pathways.

- **Collaborative claims administration.** The Receiver, insurer-appointed defense counsel, and insurance claims adjusters work in tandem. The Receiver receives claims via service of process. The Receiver tenders these claims to the insurers. The insurance carriers appoint defense counsel. Insurer-appointed defense counsel evaluates the merits of each claim. Claims are resolved—by settlement or by dismissal without payment—as a result of the collaborative effort. This pathway is described in subsection B below.
- **Court-approved policy stipulations or coverage-in-place agreements.** The Receiver and the legacy insurers, at times, enter into stipulations establishing the existence, terms, and limits of the insurance coverage in question, eliminating disputes of fact for purposes of future claims administration. This pathway is described in subsection C below.
- **Qualified Settlement Fund buy-outs.** The Receiver and one or more legacy insurers enter into a court-approved agreement by which the insurers buy back their policy coverage, liquidating the insurance assets into a Qualified Settlement Fund dedicated to defending asbestos lawsuits and resolving meritorious claims. This pathway is described in subsection D below.
- **Receiverships not currently administered under any of these regimes** (*supra* note 3) for the reasons set forth in the explanatory footnote.

B. The Collaborative Defense Model

When the Receiver and the legacy insurance carriers agree, in substance, on the existence, terms, and limits of the relevant insurance coverage, the receivership entity functions as an ordinary civil defendant on the Asbestos Docket. The Receiver, insurer-appointed defense counsel, and insurance company claims adjusters work collaboratively to investigate claims, evaluate their merits, and resolve them—by settlement where warranted, by dismissal where warranted, and by trial where necessary. In the Receiver's experience, and in the experience of the insurer-appointed defense counsel assigned to represent the receivership entities, this is indistinguishable from the ordinary administration of asbestos defense in South Carolina.

One carrier group that has worked with the Receiver for more than three years described the relationship as follows:

> For more than three years the Piedmont Carrier Group, Defense Counsel, and Mr. Protopapas have enjoyed a remarkably good working relationship. In that time we have always worked collaboratively and with a shared purpose of defending the Company against non-meritorious claims while resolving those with merit at amounts mutually agreed to by all of us.

See Notice of Filing at 15, Appendix, *Protopapas* (Oct. 22, 2024).

Robert Meriwether, a veteran asbestos defense lawyer who has represented receivership entities under this model, has likened the present receiverships to the original asbestos defendants of the mid-to-late twentieth century:

> There were the companies who depended wholly on external insurance; there were the companies who were self-insured; and there were the companies who had bought out their insurance, who had negotiated with their carriers and had assembled [funds] that they would then administer as they saw fit. We have that same basic structure in the receivership world where we've got some that, well, they ain't got many assets. [The Receiver] found that out. We've got some that are dependent wholly on the insurance assets. And then [we have] some that [the Receiver] has reduced to essentially a fund that can be used, self-directed in the same way that, you know, for the last 50 years that companies have been doing. So everything old is new again in that sense.

See Tr. of Status Conference (Asbestos), 42–43, *Protopapas* (Oct. 25, 2024). Mr. Meriwether's observation captures an important truth about the model: it is not novel. It is the application, through the vehicle of receivership, of the same defense posture that asbestos defendants have maintained in this country for half a century. The only difference is that the party making the defense decisions is an officer of this Court standing in the shoes of the insured entity rather than an insurer whose interests may, at times, diverge from those of its insured.

The collaborative defense model works. It ensures that valid and meritorious claims are paid. It ensures that non-meritorious claims are dismissed without payment. In the receiverships collectively administered by the Receiver, an overwhelming majority of the resolved claims have been dismissed without payment rather than paid—a direct consequence of the fact that rigorous investigation, discovery, and evaluation by defense counsel uncovers more unsupported claims than meritorious claims. Importantly, the collaborative process ensures that defunct but liable parties are held to account, rather than shifting liabilities to viable corporations simply because those entities happen to remain solvent.

C. Policy Stipulations and Coverage-in-Place Agreements

As noted above, Rule 66(a) of the South Carolina Rules of Civil Procedure prevents the dismissal of the action in which a receiver has been appointed except by order of the court. Because a receivership is a status of judicial supervision over the company in question, there are no time constraints on a receivership; it remains in place until the appointing court enters an order of termination. Rule 66(a) specifically contemplates that receivers may be required to defend or bring other actions in order to fulfill their court-appointed duties, and Rule 66(b) confers on receivers the authority to do so.

Because of the long latency period between exposure to asbestos and the manifestation of asbestos-related disease and the corresponding age of the relevant insurance policies, there is frequently genuine uncertainty—sometimes on the insurance carrier side, sometimes on the Receiver side, sometimes on both—about the existence, terms, and limits of the historic insurance coverage program. Because these insurance programs often cover decades of a corporation's former existence, each receivership often includes many different insurers with different policies responding at different levels. In many receiverships, the Receiver has therefore initiated coverage litigation against the known legacy insurers to determine the existence, interpretation, and meaning of the historical policies via declaratory judgment.

Coverage litigation serves a clarifying function. Typically, after some amount of litigation, the parties arrive at the point where continued litigation is unproductive, and they enter into court-approved policy stipulations that define the parameters of available indemnity coverage. These stipulations establish certain facts that are deemed true and eliminate factual disputes, although they do not constitute admissions by any party. Importantly, and by design, policy stipulations apply for the same purpose and in the same manner to future actions or claims involving insurance coverage for asbestos-related injuries under the stipulated policies. The stipulation thus becomes a stable coverage architecture against which future claims can be administered. Once a policy stipulation is in place, the parties return to the collaborative claims-administration model described in subsection B.

D. Qualified Settlement Funds

1. The Nature of a Qualified Settlement Fund

A Qualified Settlement Fund, or "QSF," is a tax-qualified vehicle authorized under Internal Revenue Code § 468B and Treasury Regulation § 1.468B-1. Qualified Settlement Funds are used throughout the United States in the resolution of mass-tort and other litigation. The QSF vehicle permits the maximum amount of available funds to be directed to legitimate claimants, because the federal tax treatment is meaningfully more favorable than that applicable to alternative compensation structures.

To illustrate with rough numbers: if $100 from an insurance policy buyback settlement were deposited into an ordinary non-qualified compensation vehicle, approximately $40 might be consumed by federal income tax before distribution to claimants. In a court-approved QSF, the full $100 is instead available to pay claimants. For a receivership administering finite insurance assets on behalf of meritorious claimants, the tax efficiency of the QSF vehicle is significant.

2. Court Approval and Continuing Oversight

The receivership court must approve the establishment of a QSF. Where insurance carriers and the Receiver have negotiated a buy-out that would result in the establishment of a QSF (or a deposit into an existing QSF), the settlement and the resulting QSF structure are presented to the Court for review and approval. Approval is not perfunctory. There have been instances in which this Court has declined to approve proposed settlements and declined to approve proposed QSF structures—outcomes that reflect meaningful judicial oversight and that produce better terms, in subsequent iterations, for the injured South Carolinians the QSF is designed to compensate.

Once established, a QSF remains under the continuing jurisdiction and supervision of this Court. That jurisdiction is in addition to the Court's continuing jurisdiction over the Receiver. The Court's supervision of a QSF continues until the QSF's assets are exhausted and a final report and accounting are submitted for approval.

3. Current QSFs

Of the 22 receiverships over which the Receiver has been appointed, 10 have court-approved QSFs as of the end of the reporting period. Each QSF has the same purpose: to pay meritorious claims until the QSF is exhausted and this Court orders the receivership closed. One such QSF—J.R. Deans, described further in Part III.A below—has exhausted its assets through the payment of meritorious claims and been closed.

E. Judicial Oversight and Reporting

The Receiver operates entirely under the continuing supervision of this Court. The Court retains jurisdiction over the Receiver's actions, over each receivership estate, and—where applicable—over each QSF. Meaningful exercises of Receiver authority—the approval of insurer buy-outs, the establishment of QSFs, the adoption of claims-administration protocols, and the submission of wind-up plans—are presented to the Court for approval. Where exercises are ministerial or administrative, the Receiver reports on them through periodic reports, as the Court directs.

F. Engagement of Insurer-Approved Defense Counsel

The quality of the Receiver's work defending underlying asbestos cases depends, in substantial part, on the quality of the defense counsel engaged in the name of each receivership entity. The insurer-appointed defense firms whose attorneys have represented the receivership entities include some of the most highly regarded defense firms in South Carolina—firms whose attorneys have an intimate knowledge and understanding of the national landscape of asbestos litigation and who have helped shape South Carolina's Asbestos Docket since its inception. These firms are:

- Burr & Forman LLP
- Cosmich Simmons & Brown, PLLC
- Ellis & Winters, LLP
- Maynard Nexsen, PC
- Nelson Mullins Riley & Scarborough, LLP
- Parker Poe Adams & Bernstein, LLP
- Pierce Sloan Kennedy & Early, LLC

Before accepting a receivership defense engagement, Carl Pierce of Pierce Sloan Kennedy & Early posed three questions to the Receiver: (i) Are we going to pay only legitimate claims? (ii) Are we going to work with the carriers? and (iii) Are we going to avoid the "big pig phenomenon," where somebody comes in and tries to take it all, lays in the trough and keeps everyone else away? The Receiver answered "yes" to each question, and Mr. Pierce responded, "I'm your man. I'll do it." *Id.* at 36. That exchange captures the premise on which the Receiver has conducted every engagement with insurer-appointed defense counsel.

Jenna K. McGee of Parker Poe, who has represented Heat & Frost Insulators, has described her firm's approach in terms consistent with ordinary asbestos defense:

> We've responded to complaints. We have answered discovery, identified documents, prepared a corporate witness and, most importantly, evaluated the

> merits by preparing independent and written recommendations about each and every case. We've worked in concert with the carriers and with the receiver. We have reached a consensus on each and every case. A number of them have been dismissed. In fact, the substantial majority have been dismissed.

Id. at 56–57. Ms. McGee's conclusion—"I've practiced in this State for about 17 years now, and in my experience this has been rather ordinary litigation. We've gotten involved, we've investigated claims, evaluated the merits, and then reached the resolution process. It's simply not been unlike claims and asbestos claims that I've handled for other clients"—is perhaps the clearest third-party characterization of what the receivership model is, and what it is not. *Id*. at 57–58.

G. Coordination with Plaintiffs' Counsel

Equally important, though less frequently discussed, is the Receiver's coordination with the asbestos plaintiffs' bar. Claims against the receivership entities originate with plaintiffs, and every claim evaluation requires cooperation from plaintiffs' counsel in supplying diagnostic records, exposure histories, and corroborating documentation. In other words, the parties cooperatively share information necessary to evaluate claims and defenses rather than engaging in an expensive, adversarial discovery process. Where a receivership has finite funds in a QSF, the Receiver has consulted with plaintiffs' counsel on ways to streamline defense costs and implementing claims-sequencing methodologies designed to direct limited resources first to the most serious injuries. In the J.R. Deans matter described in Part III.A below, such consultation produced a tiered framework—approved by all parties—under which mesothelioma claims were addressed first, followed by lung cancer claims with underlying asbestosis, followed by lung cancer claims with significant smoking histories.

Coordination of this type is possible only because the asbestos plaintiffs' bar in South Carolina, like the defense bar, consists of experienced practitioners who have been active on the Asbestos Docket for decades and who understand that their long-term interest—the long-term interest of the injured South Carolinians they represent—is in a functioning, solvent, and orderly receivership system rather than in an adversarial sprint for limited funds.

H. Claims Evaluation and Medical Criteria

The evaluation of the asbestos tort claims brought against a receivership entity proceeds along two tracks: the evaluation of exposure to the entity's products or operations, and the evaluation of the claimant's medical diagnosis.

1. Exposure Evaluation

To warrant consideration for compensation, a claim against a receivership entity requires a demonstrated nexus between the claimant's exposure history and the entity's business operations. (The plaintiff must have been exposed to asbestos in some way from the entity in question.) This typically means: (i) that the claimant was present at a job site or location with a known connection to the receivership entity's asbestos-containing products or operations; (ii) that the claimant's presence occurred during a period relevant to the receivership entity's active asbestos-related operations; and (iii) that the receivership entity's asbestos-containing products or operations were in fact present at that site during that relevant period. Prior deposition testimony from other cases

ELECTRONICALLY FILED - 2026 Jul 21 12:11 PM - RICHLAND - COMMON PLEAS - CASE#2023CP4001466 involving the same facilities is frequently the source of this exposure evidence, particularly for older claims.

Claims that cannot establish this nexus—for instance, claims in which the alleged asbestos exposure predates the receivership entity's incorporation, or in which the alleged job site has no known connection to the receivership entity—are ordinarily dismissed summarily, without payment, and frequently without the need for contested motion practice.

2. Medical Evaluation

The medical evaluation of asbestos claims is guided by medical and pathology reports and, where appropriate, by supplemental documentation to the requisite degree of medical certainty. The diagnostic categories the Receiver and defense counsel regularly evaluate include:

- **Mesothelioma.** A cancer of the pleural or peritoneal lining, is typically a signature disease of asbestos exposure. Mesothelioma is evaluated as the most severe diagnostic category because it is painful, without cure, and thus uniformly fatal.
- **Lung cancer, with minimal or no smoking history.** Lung cancer in this category is evaluated with medical evidence that cumulative asbestos exposure, after an appropriate latency period, was a significant contributing factor, and where the claimant never smoked or stopped smoking a significant time before diagnosis.
- **Lung cancer with a smoking history.** Lung cancer in this category is evaluated with medical evidence that asbestos exposure likely contributed to the diagnosis, but where the claimant had a significant history of smoking such that tobacco acted as a synergistic co-carcinogen along with asbestos in causing the lung cancer in question.

For receiverships administered through a QSF with finite assets, these diagnostic categories inform a tiered compensation schedule—approved in each case by this Court and worked out in advance with plaintiffs' counsel—that directs the largest per-claimant payments to the most severely affected individuals. The operation of such a tiered schedule in practice is illustrated in the J.R. Deans case study in Part III.A below.

Where a receivership is administered in the collaborative defense model without a finite QSF—that is, where the relevant insurance policies remain in place and are responding to individual claims in the ordinary course—the medical and exposure evaluation is applied on a case-by-case basis, with the outcome in each case (dismissal without payment, settlement, or contested trial to verdict) turning on the strength of the particular evidentiary record developed in each individual case.

III. Case Study

This Part presents a receivership case study in detail. J.R. Deans is a more recent receivership whose administration through a modest QSF illustrates the claims-administration process in concrete, quantifiable detail. A summary of the other receiverships currently under the Receiver's administration follows in Appendix A.

A. J.R. Deans Company, Inc.

1. The Entity

J.R. Deans was a small, family-owned South Carolina corporation established in 1961. It operated until forfeiting its corporate charter in 2004. J.R. Deans was located in Charleston and focused on the sale, on a wholesale and retail basis, of industrial equipment and supplies to facilities in South Carolina's Lowcountry—principally the WestVaCo paper mill and the Charleston Naval Shipyard.

2. Appointment and Insurance Posture

J.R. Deans was named as a defendant in asbestos lawsuits alleging exposure to asbestos caused by its products, its operations, or both. A plaintiff moved for the appointment of a receiver. The Court granted the motion and appointed the undersigned as Receiver for J.R. Deans on December 7, 2021.

The majority of J.R. Deans's insurance program had been issued by a carrier that was insolvent at the time of the Receiver's appointment. Without the necessity for coverage litigation, J.R. Deans' only solvent legacy insurer voluntarily ended its insuring relationship with J.R. Deans by way of a policy buyback settlement. The resulting court-approved settlement established the JRD QSF, LLC with $830,693.17 in assets available to pay meritorious asbestos claims.

3. Claim Submission and Tiered Evaluation

In light of the limited funds available to compensate meritorious claims, the Receiver (with the Court's input and supervision) established a claims process to allocate and distribute these limited funds to the existing J.R. Deans asbestos claimants in an orderly fashion. Thirty-nine claims were submitted during the court-approved claims period. Four of these were summarily dismissed without payment: in each of those four cases, the claimant's alleged exposure either predated J.R. Deans' 1961 incorporation or occurred at a job site with no known nexus to J.R. Deans' business operations or distribution of asbestos-containing materials.

The remaining thirty-five claimants alleged exposure to asbestos at job sites or locations with a known nexus to J.R. Deans' business operations, based on prior deposition testimony from other cases, and during the period J.R. Deans was actively in operation. Among these thirty-five claims, the diagnostic breakdown was:

- 11 claims with a diagnostic pathology report of mesothelioma;
- 13 claims with a diagnostic pathology report of lung cancer with asbestosis, with minimal or no smoking correlation to diagnosis; and
- 11 claims with a diagnostic pathology report of lung cancer or lung cancer with asbestosis, with a significant smoking correlation to diagnosis.

Because the JRD QSF contained a finite $830,693.17 in assets, the Receiver consulted with claimants' counsel on a claims-sequencing methodology. The methodology, approved by the Receivership Court and accepted by all parties, directed resources first to the most severe diagnostic category (mesothelioma), then to the second category (lung cancer with minimal smoking correlation), and finally to the third category (lung cancer with significant smoking correlation). Dates of first and last exposure relative to J.R. Deans's operating period were additional relevant factors.

4. Payment Schedule and Aggregate Distribution

The resulting tiered compensation schedule was:

Tier	Diagnostic Category	Per-Claim Payment	Aggregate Paid
Tier 1	Mesothelioma (11 claims)	$48,116	$529,276
Tier 2	Lung cancer & asbestosis, minimal smoking (13 claims)	$9,623	$125,108
Tier 3	Lung cancer, significant smoking (11 claims)	$2,405	$26,455
Total	**35 evaluated claims**	—	**$680,839.00**

In summary, of the $830,693.17 originally placed in the JRD QSF, $680,839.00 was distributed to verified claimants under the tiered sequencing methodology; the balance funded the ordinary administrative expenses of the QSF (including insurer-appointed defense counsel fees, notice costs, and the Receiver's fees and costs as approved by the Court). The JRD QSF has been fully administered, and a final report and accounting closing the J.R. Deans receivership was submitted and approved by this Court on December 8, 2025.[4]

IV. STATISTICAL SUMMARY OF RECEIVERSHIP ACTIVITY

This Part presents, in tabular form, the principal statistical record of receivership activity from the first November 2, 2018 appointment through the end of the reporting period, March 1, 2026. These figures are drawn from insurer-appointed defense counsel's internal records and should be read together with the narrative account in Parts II and III and the per-receivership detail in Appendix A.

A. Aggregate Claim and Distribution Data

Table IV.1 summarizes aggregate claim activity and distributions across all receiverships over which the Receiver has been appointed, from the date of the original appointment through March 1, 2026.

Table IV.1—Aggregate Receivership Activity (Nov. 2, 2018–Mar. 1, 2026)

Metric	Value
Total receivership entities under administration	22
Court-approved QSFs established	10
QSFs fully administered and exhausted	1

[4] *See* Order Closing the J.R. Deans Receivership and Approving Claims Administration Fees and Costs filed in *Protopapas* (Dec. 8, 2025) and *Childers v. Davis Mechanical Contractors, Inc., et al.*, C.A. No. 2021-CP-40-03484 (Dec. 8, 2025)

Total claims filed against receivership entities	1,841[5]
Claims resolved by settlement	456[6]
Claims resolved by dismissal without payment	550[7]
Claims actively pending as of reporting date	835[8]
Aggregate distributions to verified asbestos tort claimants	**$113,433,784[9]**

As the figures in Table IV.1 reflect, the predominant disposition of claims against the receivership entities has been dismissal without payment. Of the 1,006 claims that have reached a resolution as of the reporting date, 55% were dismissed without payment and 45% were settled. That disposition ratio is, in the Receiver's experience, consistent with or more favorable to the receivership entities than the historical disposition ratio on the South Carolina Asbestos Docket generally. It reflects, the Receiver believes, the rigor of the investigation and evaluation undertaken by insurer-appointed defense counsel in partnership with the legacy insurance carriers.

V. PUBLIC POLICY CONSIDERATIONS AND THE END GAME

This Part addresses, candidly, the public-policy considerations that underlie the South Carolina asbestos receivership model—why the model is sound, why the critiques advanced against it do not withstand scrutiny, and how each receivership is intended, ultimately, to conclude. The Receiver offers these observations not as advocacy for any particular future course of conduct, but as reflection on what the last seven and a half years of work have demonstrated.

A. Accountability Over Liability-Shifting

The central policy virtue of the asbestos receivership model is that it holds liable defunct parties to account, rather than shifting liability to viable companies that simply happen to have remained solvent. The alternative—which was, in substance, the state of play in South Carolina before 2018—was that plaintiffs who had been injured by the products or operations of defunct entities received, at best, nuisance-value settlements against those defunct entities and pursued their real recovery in full against viable corporate co-defendants who remained in business. Those co-defendants were themselves liable for a share of the injury, to be sure; but the joint-and-several allocation that results when a defunct co-defendant's insurance assets are unavailable systematically overstates the liability of the remaining solvent defendants and thereby disproportionately burdens viable businesses involved in South Carolina litigation.

[5] *See supra* note 1.
[6] *See id.*
[7] *See id.*
[8] *See id.*
[9] *See id.*

The asbestos receivership model corrects that distortion created when defendants become defunct. It does not create liability where none existed; the defunct entities were already liable because of their historic asbestos-related business operations, and, although defunct, they remain able to compensate those injured by their tortious acts because of the insurance contracts they had responsibly purchased in the past. What the asbestos receivership model does is ensure that liable defunct entities are capable of responding to meritorious claims. In doing so, it produces an allocation of liability that more closely tracks actual causation and lessens the artificial burden previously placed on viable businesses in South Carolina asbestos litigation.

B. Insurer Obligations and Underwriting Expectations

A second public policy consideration relates to the insurers whose existing and responsive insurance coverage the Receiver seeks to access. The argument has been advanced that the asbestos receivership model imposes novel or excessive obligations on the legacy insurance carriers. The Receiver respectfully disagrees with that characterization for four reasons that track the provisions of the underlying insurance contracts. In short, these insurers underwrote the covered risks, drafted the policy language, and long collected the premiums from the now defunct entities for these insurance policies decades ago.

- **The risks are the same risks the insurers underwrote.** The legacy comprehensive general liability insurance policies at issue were written by the insurers to cover bodily injury occurring during the policy period, including injury caused by continuous or repeated exposure to conditions. Asbestos-related bodily injury falls squarely within that definition. The carriers did not underwrite a risk that excluded latent-disease claims.
- **The risks were priced into the premiums.** The standard occurrence-based coverage language was drafted in 1965 specifically to address injury that manifests after the policy period. The drafters understood that coverage was being written to respond to such injury, and premiums were calculated (and collected) with that scope of coverage in mind.
- **The insolvency of the insured does not relieve the carrier.** The insurance carriers, in the ordinary course of issuing the policies, agreed in express contractual language that "bankruptcy or insolvency of the insured or of the insured's estate" would "not relieve" the insurance carrier of its obligations. The insurers underwrote, priced, and were paid to assume the risk that the insured might be defunct when a covered claim arrived.
- **The liability does not shift.** The parties whose conduct caused the injury—and the insurance carriers who were paid to insure against harm arising from that conduct—are the parties from whom compensation is sought. No other party's liability is enlarged by the receivership model. If anything, the receivership model reduces the pressure on solvent co-defendants to over-contribute to asbestos settlements or judgments.

To require an insurance carrier to honor coverage for risks it originally underwrote, based on policy terms which it originally drafted and to which it agreed, at premiums it originally collected (and invested for decades), does not create a new obligation. It is simply enforcing an existing one.

C. Lessons Learned from the Asbestos Receivership Model

The Receiver would identify four principal lessons from the seven and a half years of operating experience recorded in this Report.

First, the collaborative defense model works when the Receiver, the legacy insurance carriers, and insurer-appointed defense counsel share a common commitment to paying meritorious claims and defending against non-meritorious ones. Where that commitment is present on all sides, the receivership functions indistinguishably from ordinary asbestos defendants. Deserving South Carolina asbestos claimants are compensated using funds that their tortfeasors made available by responsibly purchasing insurance decades ago. Where this type of cooperation is not present—where, for instance, an insurance carrier takes the view that it can still run an obstructionist defense strategy through the receivership to benefit itself—the resulting friction is unproductive, and the Court's supervisory intervention is typically required.

Second, the due-diligence phase of a receivership is crucial and should not be rushed. Legacy insurance archives are fragmentary, older records are often missing, and the construction of a complete coverage picture requires systematic work over an extended period. The Receiver has found, in virtually every receivership, that coverage assets are substantially greater than originally represented—in the early due-diligence phase of the Covil matter, more than $45 million in previously undiscovered insurance policies—and those assets are available only if the due diligence is done properly.

Third, the Court's continuing supervisory role is crucial. Over the reporting period, the Court has declined to approve settlements that it has viewed as inadequate, has directed modifications to proposed QSF structures, and has supervised the tiered claims-administration methodologies under which QSF distributions are sometimes made. The asbestos receivership model depends on that critical supervision.

Fourth, and finally, the model is durable. The framework of statute, rule, and case law under which it has developed is sufficient, in the Receiver's judgment, to support its continued operation, for the benefit of South Carolina plaintiffs and solvent defendants, until the natural sunset of asbestos litigation in this State.

D. The End Game: Wind-Up and Closure

Ultimately, every receivership described in this Report will end. That is not an aspiration. It is a structural feature of the model.

The pool of potential asbestos claimants is large but finite. As the projected end of asbestos litigation in the 2050s approaches, the companies that operated in the 1940s through the 1990s will no longer have plaintiffs able to credibly allege exposure during a policy period because the claimant pool naturally diminishes with the passage of time. The claims, by nature, will phase out because at some point all plaintiffs old enough to have encountered the entity's asbestos will be gone.

For receiverships administered through Qualified Settlement Funds, the wind-up mechanism is more concrete. Each QSF has a defined funding amount pursuant to negotiated, mutually confidential settlement agreements with settling insurers and a defined claims window. When the funds have been exhausted by payment of verified meritorious claims, the receivership will close.

For larger QSFs, wind-up plans with longer claim windows and annual budget allocations are appropriate, to ensure that the largest possible number of meritorious claims are identified and compensated before closure. In such cases, annual reports are submitted to the Court, which retains continuing jurisdiction throughout the wind-up process. The final report and accounting, when submitted, details the full exhaustion of the QSF. Only then, with Court approval, is the QSF—and the receivership—closed.

For receiverships that do not have an associated QSF and that operate under the collaborative defense or policy-stipulation model, the wind-up trajectory is tied to the claim flow. When there are no more pending claims and no further insurance assets responsive to new claims, the receivership will be wound up in the same manner. Regardless of which administrative category a receivership falls into, the end goal is the same: a true wind-up and the closure of the relevant receivership estate.

Conclusion

Asbestos-related diseases will continue to be diagnosed in South Carolina for the foreseeable future. The work described in this Report does not end those diagnoses; no human institution can. What the work described in this Report endeavors to do is ensure that, when a South Carolinian receives such a diagnosis and can establish that it arose from exposure to products or operations of a particular defunct entity, the liability of that defunct entity—and the insurance obligations that were undertaken and paid for when the entity still existed—do not simply disappear because the entity no longer operates.

The receivership model this Court established is, in its structural essentials, an historic instrument implemented to address and respond to a distinct contemporary problem. Receiverships have existed at equity since Elizabethan England. What makes this application of the vehicle relatively unique is not its structure but its application: the substantial and sustained work of identifying long-dormant insurance assets, requiring the insurance carriers who marketed those assets to honor their obligations, and administering the resulting recoveries with judicial oversight for the benefit of injured South Carolinians.

It has been an honor to serve as an arm and officer of this Court in that work and to act pursuant to its appointment and in furtherance of its directives. The Receiver will continue to report to this Court—through annual updates, through supplemental filings as events require, and through final reports and accountings as each receivership ultimately is terminated—until the last of these matters is concluded.

Respectfully submitted,

s/ Peter D. Protopapas
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July 21, 2026

APPENDIX A

The following table illustrates each South Carolina receivership entity over which the undersigned has been appointed, the date of appointment, the appointing case, and aggregate number of claims and settlements of the receiverships as of the end of the reporting period.

Receiverships[10]	Receiver Appointed	Total Number of Claims[11]	Total Number of Settled Claims[12]	Total Amount Paid in Settlements[13]
Asbestos Corporation Ltd.	09/08/2023 Appointed in *Tibbs v. 3M Company, et al.*, Case No. 2023-CP-40-01759	N/A	N/A	N/A
Atlas Turner	06/21/2023 Appointed in *Welch v. 3M Company, et al.*, Case No. 2022-CP-40-03834	N/A	N/A	N/A
Cape	03/17/2023 Appointed in *Park v. Armstrong International, Inc.*, Case No. 2021-CP-40-02727[14]	N/A	N/A	N/A
Covil Corp.	11/2/2018 Appointed in *Taylor vs. Air & Liquid Systems Corp., et al.*, Case No. 2018-CP-40-04940[15]	197	117	$37,973,945[16]
Beaty Investments, Inc. f/k/a Guy M. Beaty & Company	8/24/2022 Appointed in *Lamm vs. 4520 Corp, et al.*, Case No. 2022-CP-40-01241	111	46	$22,310,000

[10] *See supra* note 1 and 3 excluding claim and settlement data for (1) Asbestos Corporation Ltd., (2) Atlas Turner, (3) Cape, and (4) Whittaker Clark.
[11] Number of Claims as provided by insurer-appointed defense counsel through the reporting period.
[12] Number of Settlements as provided by insurer-appointed defense counsel during the reporting period.
[13] Settlement Amounts as provided by insurer-appointed defense counsel during the reporting period.
[14] Clarifying Order filed on Nov. 5, 2024 in *Park*.
[15] Clarifying Order filed on Mar. 4, 2019 in *Taylor*.
[16] This excludes the *Finch* settlement.

Receiverships[10]	Receiver Appointed	Total Number of Claims[11]	Total Number of Settled Claims[12]	Total Amount Paid in Settlements[13]
Davis Mechanical	12/7/2021 Appointed in *Childers vs. Davis Mechanical, et al.*, Case No. 2021-CP-40-03484	99	30	$6,980,000
Flame Refractories[17]	8/27/2021 Appointed in *Childers vs. Davis Mechanical, et al.*, Case No. 2021-CP-40-03484	64	12	$2,025,000
General Boiler	8/27/2021 Appointed in *Childers v. Davis Mechanical, et al.*, Case No. 2021- CP-40-03484	59	5	$840,000
Great Barrier	11/2/2020[18] Appointed in *Bowlin v. Covil Corporation, et al.*, Case No. 2020-CP-40-02692	114	33	$5,970,000
Heat & Frost	4/6/2022 Appointed in *Love vs. 3M Company, et al.*, Case No. 2021-CP-40-06190	77	20	$4,680,000
HEFCO, Inc.	12/7/2021 Appointed in *Childers v. Davis Mechanical, et al.*, Case No. 2021-CP-40-03484	46	0	$0
J&L Insulation	3/2/2021 Appointed in *Dianne McCullough and Floyd David Cooper v. 4520 Corp., et al.*, Case No. 2020-CP-40-01952	72	1	$50,000

[17] Including United Construction Co. of Rome, Inc.
[18] Amended Order filed on Nov. 3, 2020 in *Bowlin*.

Receiverships[10]	Receiver Appointed	Total Number of Claims[11]	Total Number of Settled Claims[12]	Total Amount Paid in Settlements[13]
JR Deans	12/7/2021[19] Appointed in *Childers v. Davis Mechanical, et al.*, Case No. 2021-CP-40-03484	39	35	$680,839
Payne & Keller	8/27/2021[20] Appointed in *Childers v. Davis Mechanical, et al.*, Case No. 2021-CP-40-03484	283	3	$1,025,500
Piedmont Insulation	6/28/2021 Appointed in *Carpenter v. Covil Corporation, et al.*, Case No. 2020-CP-40-04475	68	13	$3,267,500
Pipe & Boiler	3/16/2021 Appointed in *McCullough vs. 4520 Corp, et al.*, Case No. 2020-CP-40-01952	116	23	$3,080,000
Presnell Insulation	6/30/2021 Appointed in *Marian Murphy Dudley as Executor of the Estate of Nicholas Leon Murphy and Doris Anne Murphy v. Covil Corporation, et al.*, Case No. 2020-CP-40-01364	103	5	$430,000
Southern Insulation	5/8/2019 Appointed in *Hopper vs. Air & Liquid Systems, et al.*, Case No. 2019-CP-40-00076 [21]	93	8	$681,000

[19] The J.R. Deans receivership closed by Order dated Dec. 10, 2025 in *Protopapas v. Davis Mechanical, et al., nominal administrative defendants*, 2023-CP-40-01466.
[20] Clarifying Order filed Sept. 30, 2021 in *Childers*.
[21] Clarifying Order filed Sept. 14, 2020 in *Pavlish v. Southern Insulation, Inc., et al.*, 2019-CP-42-03968.

Receiverships[10]	Receiver Appointed	Total Number of Claims[11]	Total Number of Settled Claims[12]	Total Amount Paid in Settlements[13]
Stafford Insulation	12/7/2021 Appointed in *Childers v. Davis Mechanical, et al.*, 2021-CP-40-03484	55	8	$1,650,000
Standard Insulation Company of N.C., Inc.	9/24/2021 Appointed in *Childers v. Davis Mechanical, et al.*, Case No. 2021-CP-40-03484	87	6	$275,000
Starr Davis[22]	2/22/2019 Appointed in *Hopper vs. Air & Liquid Systems, et al.*, Case No. 2019-CP-40-0076 [23]	158	91	$21,515,000
Whittaker Clark	03/10/2023 Appointed in *Plant v. Avon Products, Inc., et al.*, Case No. 2022-CP-40-01265; and *Payne v. 3M Company, et al.*, Case No. 2022-CP-40-01281	N/A	N/A	N/A
TOTALS		**1,841**	**456**	**$113,433,784**

[22] Collectively, Starr Davis Company, Inc. and Starr Davis Company of S.C., Inc.
[23] Clarifying Order filed April 24, 2020 in *Hopper*.

APPENDIX B

Appointment Orders—Key Provisions

This Appendix summarizes the key provisions of the two foundational appointment orders entered by the Court: the original Covil Corporation appointment order of November 2, 2018, and the clarification order of March 4, 2019. Subsequent appointment orders in other receiverships have, in general, incorporated the substantive framework of these two orders with modifications appropriate to the particular entity and circumstances.

1. Order Appointing a Receiver for Covil Corporation (Nov. 2, 2018)

- Appointed Peter D. Protopapas as Receiver of Covil Corporation.
- Granted the Receiver "the right and obligation to administer any insurance assets of Covil Corporation as well as any claims related to the actions or failure to act of Covil's insurance carriers."
- Entered in *Taylor v. Air & Liquid Sys. Corp.*, C.A. No. 2018-CP-40-04940 (S.C. Comm. Pl. Nov. 2, 2018).

2. Order Granting the Receiver for Covil Corporation's Motion to Clarify the Receivership Order (Mar. 4, 2019)

- Confirmed that the Court "has jurisdiction over all asbestos related cases in South Carolina."
- Confirmed that "the Receiver is appointed in all asbestos related cases and for all asbestos related matters."
- Established the scope under which subsequent receivership appointments of the same Receiver have been issued in the Asbestos Docket.

APPENDIX C

Governing Statutes and Rules

1. S.C. Code Ann. § 15-65-10

A receiver may be appointed by a judge of the circuit court, either in or out of court:

(1) Before judgment, on the application of either party, when he establishes an apparent right to property which is the subject of the action and which is in the possession of an adverse party and the property, or its rents and profits, are in danger of being lost or materially injured or impaired, except in cases when judgment upon failure to answer may be had without application to the court;

(2) After judgment, to carry the judgment into effect;

(3) After judgment, to dispose of the property according to the judgment or to preserve it during the pendency of an appeal or when an execution has been returned unsatisfied and the judgment debtor refuses to apply his property in satisfaction of the judgment;

(4) When a corporation has been dissolved, is insolvent or in imminent danger of insolvency or has forfeited its corporate rights, and, in like cases, of the property within this State of foreign corporations; and

(5) In such other cases as are provided by law or may be in accordance with the existing practice, except as otherwise provided in this Code.

2. Rule 66, South Carolina Rules of Civil Procedure

Rule 66(a) —Receivers Appointed by Federal Courts; Dismissal of Action

An action wherein a receiver has been appointed shall not be dismissed except by order of a court. The practice in the administration of estates by receivers or by other similar officers appointed by the court shall be in accordance with the laws of this State. In all other respects the action in which the appointment of the receiver is sought or which is brought by or against a receiver is governed by these rules.

Rule 66(b)—Power of Receivers

In addition to the powers conferred by law, every receiver of the property and effects of a debtor shall, unless restricted by order of the court, have general power and authority to sue for and collect the debts, demands and rents belonging to the debtor, and to compromise and settle such as are of a doubtful value. He may also sue and defend in the name of the debtor where it is necessary or proper for him to do so.

3. Principal Case Law

- *Welch v. Advance Auto Parts*, 445 S.C. 640, 916 S.E.2d 320 (2025)—affirming the appointment of a South Carolina receiver over the insurance assets of viable Canadian company Atlas Turner and holding that legacy insurance assets are property within this State for purposes of receivership jurisdiction.
- *Protopapas v. Wall, Templeton & Haldrup, P.A.*, 442 S.C. 217, 898 S.E.2d 150 (Ct. App. 2023)—affirming the grant of summary judgment in coverage case brought by the Covil Receiver against Covil's insurance carriers.
- *Covil Corp. v. Pa. Nat'l Mut. Cas. Ins. Co.*, 444 S.C. 117, 906 S.E.2d 558 (2024)—affirming the grant of summary judgment to Covil receiver in a coverage dispute with an insurer.
- *Protopapas v. Travelers Cas. & Sur. Co.*, 446 S.C. 39, 46, 916 S.E.2d 844, 847 (Ct. App. 2025)— affirming grant of summary judgment in coverage case brought by the Starr Davis Receiver with an insurer.
- *Tibbs v. 3M Co., et al.*, No. 2025-002104, 2026 WL 1477371 (S.C. May 27, 2026)—affirming the appointment of a receiver over viable foreign company Cape.

APPENDIX D

Glossary of Terms

Term	Definition
Appointment Order	The order of this Court appointing a Receiver over a designated receivership entity and specifying the scope of the Receiver's authority. The foundational appointment order in the South Carolina asbestos receivership context is the November 2, 2018 Order in the Covil matter, as clarified by the March 4, 2019 Order.
Insurer-Appointed Defense Counsel	A defense firm engaged, with the Receiver's approval by the relevant legacy insurance carriers, to represent a receivership entity in the defense of asbestos personal-injury claims.
Asbestos Docket	The administrative docket of the South Carolina Court of Common Pleas established in 1982 for the management of asbestos-related litigation in this State.
Asbestosis	A chronic fibrotic lung disease caused by significant and prolonged exposure to asbestos fibers. Asbestosis is incurable and, over time, may cause physical impairment or death.
Claimant	An individual (or the personal representative of a deceased individual) who has submitted a claim to the Receiver or against a receivership entity.
Collaborative Defense Model	The administrative framework, described in Part II.B, in which the Receiver, insurer-appointed defense counsel, and legacy insurance carriers work in tandem to investigate, evaluate, and resolve individual claims as they arise.
Coverage-in-Place Agreement	An agreement between the Receiver and one or more legacy insurance carriers establishing, as between them, the coverage that the insurance carriers will provide with respect to asbestos-related claims against the receivership entity going forward.
Latency Period	The interval between exposure to a disease-causing agent and the manifestation of the disease. For mesothelioma, the latency period can routinely exceed forty years.
Legacy Carrier	A comprehensive general liability insurance carrier that issued coverage to a receivership entity during the entity's operating years, and whose obligations under that coverage continue by operation of the policy's terms notwithstanding the entity's subsequent dissolution, insolvency, or inactivity.

Term	Definition
Mesothelioma	A cancer of the pleural or peritoneal lining of the lung, chest or abdomen. Mesothelioma is a signature disease for asbestos exposure. Mesothelioma has no known cure and is fatal.
Occurrence-Based Policy	A comprehensive general liability policy whose coverage attaches to bodily injury or property damage occurring during the policy period, regardless of when the causing event occurred.
Policy Stipulation	An agreement between the Receiver and a legacy carrier establishing certain facts—most often the existence, terms, and limits of identified policies—as deemed true for purposes of future claims administration.
Qualified Settlement Fund (QSF)	A tax-qualified vehicle authorized under Internal Revenue Code § 468B used to receive and administer funds paid by legacy insurance carriers to resolve their coverage obligations. Each QSF established in connection with a South Carolina asbestos receivership remains under the continuing jurisdiction of this Court until its final report and accounting is approved.
Receiver	The officer of the Court appointed, pursuant to S.C. Code Ann. § 15-65-10 and Rule 66 of the South Carolina Rules of Civil Procedure, to stand in the shoes of a receivership entity and marshal and administer its assets.
Receivership Entity	A corporation, partnership, or other business organization over which the Receiver has been appointed.
Reporting Period	The period from November 2, 2018 (the date of the original Covil appointment) through March 1, 2026 (the cut-off date for the figures presented in this Report).
Wind-Up	The final administrative phase of a receivership, during which remaining claims are processed, remaining funds are distributed, a final report and accounting is submitted to the Court, and the receivership is closed.