

THE STATE OF SOUTH CAROLINA  
In the Supreme Court

**RECEIVED**  
OCT 15 2019  
S.C. SUPREME COURT

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PETITION FOR CERTIORARI

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APPEAL FROM RICHLAND AND YORK COUNTIES  
Jean Hoefer Toal, Chief Justice (Ret.)

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Case Nos.: 2015-CP-46-02155, 2015-CP-46-03456, 2019-CP-40-00076,  
2018-CP-40-04680, 2018-CP-40-04940

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EX PARTE ZURICH AMERICAN INSURANCE COMPANY, SENTRY INSURANCE A  
MUTUAL COMPANY, AND UNITED STATES FIDELITY AND GUARANTY COMPANY,  
PETITIONERS

Roxanne Falls, Individually and as Personal Representative of the  
Estate of Charlotte Gaye Smith, Plaintiffs

v.

**COVIL CORPORATION, Defendant/RESPONDENT.**

AND

Timothy W. Howe Individually and as Personal Representative of the  
Estate of Wayne Ervin Howe, deceased, and Jeanette Howe, Plaintiffs

v.

**COVIL CORPORATION, Defendant/RESPONDENT**

AND

Charles T. Hopper and Rebecca Hopper, Plaintiffs,

v.

Covil Corporation, et al., Defendants  
**of Whom COVIL CORPORATION is RESPONDENT.**

AND

James Michael Hill, Plaintiff

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v.

Covil Corporation, et al., Defendants,  
**of Whom COVIL CORPORATION is RESPONDENT.**

AND

Denver D. Taylor and Janice Taylor, Plaintiffs

v.

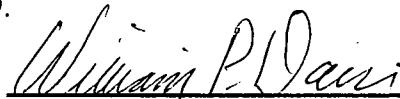
Covil Corporation, et al., Defendants,  
**of Whom COVIL CORPORATION is RESPONDENT**

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**NOTICE OF APPEAL**

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Non-party United States Fidelity and Guaranty Company ("USF&G") hereby joins with non-parties Zurich American Insurance Company ("Zurich") and Sentry Insurance a Mutual Company ("Sentry") in the appeal of the order of the Honorable Jean Hoefler Toal, entered September 19, 2019, titled "Order for Rule to Show Cause," and files this Notice of Appeal. Zurich filed a Notice of Appeal of the Order on September 30, 2019. Sentry filed a Notice of Appeal of the Order on October 10, 2019. USF&G received written notice of entry of the Order on September 19, 2019 and was served with a copy of the Order through the South Carolina Department of Insurance on October 1, 2019.



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William P. Davis  
SC Bar No.: 1585  
BAKER, RAVENEL & BENDER, L.L.P.  
3710 Landmark Drive, Suite 400  
Post Office Box 8057  
Columbia, South Carolina 29202  
(803) 799-9091; [wdavis@brblegal.com](mailto:wdavis@brblegal.com)

Lee H. Ogburn  
Ezra S. Gollogly  
KRAMON & GRAHAM PA  
One South Street, Suite 2600

Baltimore, MD 21202  
(410) 347-7423; [logburn@kg-law.com](mailto:logburn@kg-law.com)  
(410) 319-0481; [egollogly@kg-law.com](mailto:egollogly@kg-law.com)  
(*Pro Hac Vice* Applications Forthcoming)

October 15, 2019

*Attorneys for United States Fidelity and Guaranty  
Company*

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of Whom **COVIL CORPORATION** is **RESPONDENT**

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**CERTIFICATE OF SERVICE**

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I certify that true copies of United States Fidelity and Guaranty Company's Notice of Appeal and attachments has been served on the following, this 15<sup>th</sup> day of October 2019:

Robert G. Rikard, Esquire  
Jescelyn T. Spitz, Esquire  
Rikard & Protopapas  
1329 Blanding Street  
Columbia, SC 29201

Jonathon Robinson, Esquire  
G. Murrell Smith, Jr., Esquire  
Smith/Robinson  
2530 Devine Street  
Columbia, SC 29205

*Attorneys for Receiver of Covil Corportion, Respondent*

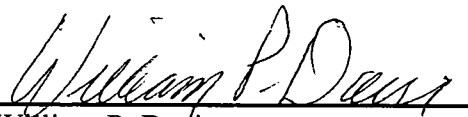
Peter H. Dworjany, Esquire  
Collins & Lacy, P.C.  
P.O. Box 12487  
Columbia, SC 29211

*Attorney for Zurich American Insurance Company, Petitioner*

Wesley B. Sawyer, Esquire  
Murphy & Grantland, P.A.  
P.O. Box 6648  
Columbia, SC 29260

*Attorney for Sentry Insurance a Mutual Company, Petitioner*

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William P. Davis  
SC Bar No.: 1585  
BAKER, RAVENEL & BENDER, L.L.P.  
3710 Landmark Drive, Suite 400  
Post Office Box 8057  
Columbia, South Carolina 29202  
(803) 799-9091; [wdavis@brblegal.com](mailto:wdavis@brblegal.com)

Lee H. Ogburn  
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One South Street, Suite 2600  
Baltimore, MD 21202  
(410) 347-7423; [logburn@kg-law.com](mailto:logburn@kg-law.com)  
(410) 319-0481; [egollogly@kg-law.com](mailto:egollogly@kg-law.com)  
(*Pro Hac Vice* Applications Forthcoming)

*Attorneys for United States Fidelity and Guaranty  
Company*

October 15, 2019



STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

CHARLES T. HOPPER and REBECCA HOPPER, )

Plaintiffs, )

vs. )

Air & Liquid Systems Corporation, et al., )

Defendants. )

In Re: )

Receivership of Covil Corporation by and through its Receiver Peter D. Protopapas )

IN THE COURT OF COMMON PLEAS  
FOR THE FIFTH JUDICIAL CIRCUIT  
C/A NO.: 2019-CP-40-00076

ORDER FOR RULE TO SHOW CAUSE

STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

JAMES MICHAEL HILL, )

Plaintiff, )

vs. )

Advance Auto Parts, Inc., et al., )

Defendants. )

In Re: )

Receivership of Covil Corporation by and through its Receiver Peter D. Protopapas )

IN THE COURT OF COMMON PLEAS  
FOR THE FIFTH JUDICIAL CIRCUIT  
C/A NO.: 2018-CP-40-04680

ORDER FOR RULE TO SHOW CAUSE

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE FIFTH JUDICIAL CIRCUIT
COUNTY OF RICHLAND	)	C/A NO.: 2018-CP-40-04940
	)	
DENVER D. TAYLOR and JANICE	)	
TAYLOR,	)	
	)	
Plaintiffs,	)	<b>ORDER FOR RULE TO SHOW CAUSE</b>
	)	
vs.	)	
	)	
Air & Liquid Systems Corporation, et al.,	)	
	)	
Defendants.	)	
	)	
In Re:	)	
	)	
Receivership of Covil Corporation by and	)	
<u>through its Receiver Peter D. Protopapas</u>	)	

This matter comes before the Court by way of a Rule to Show Cause motion and hearing on September 13, 2019, initiated by Peter Protopapas, as the duly appointed Receiver of Covil Corporation ("Receiver").

On May 28, 2019, the South Carolina Supreme Court appointed the undersigned to serve as the Chief Judge of Administrative Purposes over all asbestosis and asbestos litigation filed within the state court system. The Supreme Court's charge includes facilitating meaningful mediations consistent with the South Carolina Rules of Alternative Dispute Resolution. The Rules mandate attendance at mediation "a representative of the insurance carrier who is not the carrier's outside counsel and who has full authority to settle the claim" on behalf of any insured party against whom a claim is made. SCRADR 6(b)(4).

Further, the Court has jurisdiction in connection with the Court's authority over the Receiver in the administration of the receivership of Covil.

Proceedings before this Court on the issue of Covil's participation in mediation exercises

have demonstrated a lack of clarity regarding what constitutes "full authority" for claims filed against Covil Corporation. This lack of clarity continually delays settlement, stalls negotiations, and slows the ability of this Court to manage the South Carolina asbestos docket. An inquiry into the insurance coverage of Covil Corporation is warranted to fully determine the amount of authority available for settlement of asbestos personal injury actions filed against Covil Corporation.

**IT IS THEREFORE ORDERED** that United States Fidelity and Guaranty Company ("USF&G"), Zurich American Insurance Company ("Zurich"), Sentry Insurance, a Mutual Company ("Sentry"), and Hartford Accident and Indemnity Company ("Hartford") respond to the following areas of inquiry under penalty of perjury by September 30, 2019, prior to the *Hopper* mediation. For purposes of clarification of the terms provided in the following areas of inquiry, the terms "You" and "Your" shall mean the responding insurer, in its own capacity and in its capacity as successor to any other insurer entity.

1. Provide all general liability and product liability insurance policies issued by You to Covil Corporation, during the period 1954 through 1991, including, but not limited to, all policy numbers previously identified to this Court as covering Covil Corporation.
2. Provide all workers compensation insurance policies issued by You to Covil Corporation during the period 1954 through 1991.
3. Provide all project policies issued by You to Covil Corporation, or naming Covil Corporation as an additional insured, during the period 1954 through 1991.
4. Provide all excess and umbrella liability insurance policies issued by You to Covil Corporation during the period 1954 through 1991.
5. Provide all underwriting files related to general liability and product liability insurance

- policies issued by You to Covil Corporation during the period 1954 through 1991.
6. Provide all underwriting files related to workers compensation insurance policies issued by You to Covil Corporation during the period 1954 through 1991.
  7. Provide all documents that reflect communications between You and Covil Corporation regarding the acquisition, placement, and termination of insurance coverage.
  8. Provide all documents that reflect communications between You and any other Covil Corporation insurer that refer or relate in any way to the defense and/or indemnification of Covil.
  9. Provide all claims files that refer or relate to general liability or product liability claims against Covil Corporation, handled by You during the period 1954 through 1991.
  10. Provide all claims files that refer or relate to workers compensation claims against Covil Corporation, handled by You during the period 1954 through 1991.
  11. Provide all documents that refer or relate to general liability or product liability claims against Covil Corporation, handled by YOU during the period 1954 through 1991.
  12. Provide all documents that refer or relate to workers compensation claims against Covil Corporation, handled by YOU during the period 1954 through 1991.
  13. Provide all Liability Cumulative Analysis reports prepared by You or on Your behalf in connection with general liability or product liability insurance policies issued by You to Covil Corporation during the time period 1954 through 1991.
  14. Provide all documents that refer or relate to Liability Cumulative Analysis reports prepared by You or on Your behalf in connection with general liability or product liability insurance policies issued by You to Covil Corporation, during the time period 1954 through 1991.
  15. Provide all documents that refer or relate to Your procedures for designating policy

- numbers, including policy prefixes, for general liability and product liability insurance policies issued by You during the time period 1954 through 1991.
16. Provide exemplars of general liability and product liability primary insurance policies issued by You during the period 1954 through 1991.
  17. Provide exemplars of excess and umbrella liability insurance policies issued by You during the period 1954 through 1991.
  18. Provide all underwriting manuals and guidelines related to general liability and product liability primary insurance policies issued by You during the period 1954 through 1991.
  19. Provide all underwriting manuals and guidelines related to excess and umbrella liability insurance policies issued by YOU during the period 1954 through 1991.
  20. Describe in detail Your efforts to locate general liability and product liability insurance policies, workers compensation policies, excess and umbrella liability insurance policies, all project policies issued by You to Covil Corporation, or naming Covil Corporation as an additional insured, during the period 1954 through 1991.
  21. State the names of the persons most knowledgeable regarding Your search efforts to locate the requested general liability and product liability insurance policies, workers compensation policies, excess and umbrella liability insurance policies, all project policies issued by You to Covil Corporation, or naming Covil Corporation as an additional insured, during the period 1954 through 1991.
  22. Identify all documents that refer to or relate to Your search efforts to locate the requested general liability and product liability insurance policies, workers compensation policies, excess and umbrella liability insurance policies, all project policies issued by You to Covil Corporation, or naming Covil Corporation as an additional insured, during the period 1954 through 1991.
  23. Identify the persons involved in preparing Your responses to this inquiry.
  24. State that these are all of the policies issued by You to Covil.

IT IS FURTHER ORDERED that service of this Rule to Show Cause shall be served upon the South Carolina Department of Insurance for Zurich, Sentry, USF&G, and Hartford, which shall constitute proper service pursuant to Rule 4(e) of the South Carolina Rules of Civil Procedure. SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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JEAN H. TOAL, CHIEF JUSTICE (Ret.)

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Richland Common Pleas

**Case Caption:** Charles T Hopper , plaintiff, et al vs Air & Liquid Systems Corporation , defendant, et al  
**Case Number:** 2019CP4000076  
**Type:** Order/Rule To Show Cause

IT IS SO ORDERED.

s/ Jean H. Toal #2758