

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

TEHUM CARE SERVICES, INC.¹

Debtor.

Chapter 11

Case No. 23-90086 (CML)

**LEXINGTON INSURANCE COMPANY AND NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA'S RESERVATION OF RIGHTS AS TO DISCLOSURE
STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF THE TORT CLAIMANTS'
COMMITTEE, OFFICIAL COMMITTEE OF UNSECURED CREDITORS, AND
DEBTOR [DOCKET NO. 1740] AND JOINT MOTION TO APPROVE THE
DISCLOSURE STATEMENT [DOCKET NO. 1741]**

Lexington Insurance Company (“**Lexington**”) and National Union Fire Insurance Company of Pittsburgh, Pa (“**National Union**”), on their own behalf and on behalf of each related company that provided insurance and insurance services to the Debtor (previously known as Corizon Health, Inc. and/or Valitas Health Services, Inc.) and its related entities (collectively, “**AIG**”), by their attorneys, Zeichner Ellman & Krause LLP, hereby file this reservation of rights as to the proposed Disclosure Statement for the Joint Chapter 11 Plan of the Tort Claimants’ Committee, Official Committee of Unsecured Creditors, and Debtor (collectively, “**Plan Proponents**”) [Docket No. 1740] (the “**Disclosure Statement**”) and Joint Motion to approve the Disclosure Statement [Docket No. 1741].

AIG’S INSURANCE PROGRAM WITH THE DEBTOR

1. Lexington provided healthcare liability insurance for the Debtor and predecessors (the “**Lexington Program**”) for a number of years, described in the disclosure

¹ The last four digits of the Debtor’s federal tax identification number is 8853. The Debtor’s service address is: 205 Powell Place, Suite 104, Brentwood, Tennessee 37027



2390086241101000000000008

statement, including a list of many such policies that were issued by Lexington. The Lexington program varied from year to year.

2. National Union provided Worker's Compensation insurance for the Debtor and predecessors with high level deductibles (the "**National Union Program**" and collectively with the Lexington Program, the "**AIG Programs**"). Currently, unreimbursed deductibles exceed \$3.5 million and continue to accrue.

3. National Union holds approximately \$14.5 million in cash deposits (the "**Collateral**") as collateral for the Debtor's obligations to AIG under the National Union and Lexington Policies and the AIG Programs.

4. AIG filed Proof of Claim Numbers 583 and 584 (the "**AIG Proofs of Claim**") in this case in liquidated and unliquidated amounts. Debtor's liability, arising from the pre-petition AIG Programs continues to accrue. AIG submits that the collateral secures all Debtor's obligations, but the Collateral is estimated to be inadequate. The Debtor contends that the Collateral was assigned to CHS TX, Inc. in the "Divisional Merger" (as defined in the Disclosure Statement).

RESERVATION OF RIGHTS

5. AIG has standing to object to the Disclosure Statement as a creditor. Further, AIG has standing to object to the Disclosure Statement as an insurer under *Truck Ins. Exch. v. Kaiser Gypsum Co.*, 144 S. Ct. 1414 (2024).

6. AIG hereby reserves the right to join with any objection filed by any other insurance company.

Dated: New York, New York
November 1, 2024

ZEICHNER ELLMAN & KRAUSE LLP

/s/ Michael S. Davis

By: _____

Michael S. Davis
Yoav M. Griver
Bryan D. Leinbach
730 Third Avenue
New York, New York 10017
Telephone: (212) 223-0400
mdavis@zeklaw.com
ygriver@zeklaw.com
bleinbach@zeklaw.com

*Attorneys for Lexington Insurance Company
and National Union Fire Insurance Company of
Pittsburgh, Pa, on their own behalf and on
behalf of each related company that provided
insurance and insurance services to the Debtor
(previously known as Corizon Health, Inc.
and/or Valitas Health Services, Inc.) and its
related entities*

CERTIFICATE OF SERVICE

Michael S. Davis, hereby certifies pursuant to 28 U.S.C. 1746 and under penalty of perjury that on the 1st day of November, 2024 I served a true copy of the within **Lexington Insurance Company and National Union Fire Insurance Company of Pittsburgh, Pa), on their own behalf and on behalf of each related company that provided insurance and insurance services to the Debtor (previously known as Corizon Health, Inc. and/or Valitas Health Services, Inc.) and its related entities' Reservation of Rights as to the proposed Disclosure Statement for the Joint Chapter 11 Plan of the Tort Claimants' Committee, Official Committee of Unsecured Creditors, and Debtor and Joint Motion to approve the Disclosure Statement** On all appearing parties by ECF upon filing the document.

Dated: November 1, 2024

/s/ Michael S. Davis

Michael S. Davis