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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:) Chapter 11
) Case No. 20-12212 (MEW)
Garrett Motion Inc., *et al.*) Jointly Administered
)
Debtors.) **Re: D.I. 1017, 1018**

**OBJECTION OF CIGNA ENTITIES TO NOTICE TO COUNTERPARTIES
TO EXECUORY CONTRACTS AND UNEXPIRED LEASES
THE DEBTORS MAY ASSUME**

Cigna Health and Life Insurance Company (“CHLIC”), Cigna Behavioral Health, Inc. (“CBH”) and Life Insurance Company of North America (“LINA”); and collectively with CHLIC and CBH, “Cigna”) hereby object to the *Notice to Counterparties to Executory Contracts and Unexpired Leases the Debtors May Assume* (“Cure Notice”) served pursuant to the *Debtors’ Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 1018] (“Plan”), and in support thereof, respectfully state as follows:

BACKGROUND

1. CHLIC and the Debtors are parties to a Group Medical, Dental & Vision Policy (07946A), effective October 1, 2018.¹

¹ Including all amendments, riders, schedules, exhibits, certificates, renewal caveats and disclosures, and addendum related thereto.



2. CBH and the Debtors are parties to an Agreement for Employee Assistance Program Services, effective January 1, 2020.

3. CHLIC and the Debtors are parties to the following Life Insurance Company of North America group insurance policies:

- Voluntary Group Accident Indemnity Policy (AI 961360), effective January 1, 2020.
- Voluntary Group Critical Illness Policy (CI 961360), effective January 1, 2020.
- Voluntary Group Hospital Indemnity Policy (HC 960657), effective January 1, 2020.

4. LINA and the Debtors are parties to the following contracts (collectively with the contracts referenced in paragraphs 1-3 above, the “Employee Benefits Contracts”):

- Basic/Voluntary Group Accidental Death and Dismemberment Policy (SOK 606741).
- Group Long Term Disability Policy (VDT 602296).
- Basic/Voluntary Life Insurance Policy (SGM 609103).
- Administrative Services Agreement (FML 990261).
- Agreement for Administrative Services Only (STD) (SHD 500411).
- NJ Disability Benefit Policy (STD) (SDJ 600262).

5. Under the Plan, the Debtors will assume all executory contracts. Plan, Article 8.1. Cure amounts due under the assumed contracts are to be established by the Cure Notice and the procedures therefor set forth in the Plan. Plan, Article 8.2.²

6. On March 12, 2021, the Debtors filed the Cure Notice. Schedule 1 to the Cure Notice includes the following Cigna references:

112G6949	CIGNA	Garrett Transportation I Inc.	BASIC LIFE & ADD INSURANCE		\$0.00
112G6947	CIGNA	Garrett Transportation I Inc.	EMPLOYEE ASSISTANCE PROGRAM	1/1/2020	\$0.00
112G6945	CIGNA	Garrett Transportation I Inc.	LONG-TERM DISABILITY INSURANCE		\$0.00
111G2504	CIGNA	Garrett Motion UK Limited	PURCHASE ORDER #4502295642	2/5/2020	\$0.00

² The universe of contracts assumed under the Plan is not set by or limited to those contracts listed in the Cure Notice.

112G6950	CIGNA	Garrett Transportation I Inc.	SHORT-TERM DISABILITY INSURANCE (CALIFORNIA PLAN)		\$0.00
112G69460	CIGNA	Garrett Transportation I Inc.	VOLUNTARY ADD INSURANCE		\$0.00
112G6948	CIGNA	Garrett Transportation I Inc.	VOLUNTARY TERM LIFE INSURANCE		\$0.00
112G9207	CIGNA (LIFE INSURANCE COMPANY OF NORTH AMERICA)	Garrett Transportation I Inc.	CRITICAL ILLNESS, HOSPITAL INDEMNITY AND ACCIDENT INDEMNITY	1/1/2020	\$0.00
112G5876	CIGNA BEHAVIORAL HEALTH INC	Garrett Transportation I Inc.	PURCHASE ORDER #A000049949	4/14/2020	\$0.00
112G5482	CIGNA HEALTH AND LIFE INSURANCE CO	Garrett Transportation I Inc.	PURCHASE ORDER #A000002403	3/29/2019	\$0.00
112G5884	LIFE INSURANCE COMPANY OF NORTH AME	Garrett Transportation I Inc.	PURCHASE ORDER #A000050175	5/7/2020	\$0.00

These listings appears to reference some, but not all, of the Employee Benefits Contracts. Further, these listings include references that do not match any contracts in Cigna’s system.

OBJECTION

7. Cigna objects to the cure amounts proposed by the Debtors because they do not propose to satisfy Debtors’ cure obligations consistent with section 365(b)(1) of the Bankruptcy Code.

A. Cure.

8. When a contract is assumed under section 365 of the Bankruptcy Code, the non-debtor third-party to that contract must be “made whole at the time of the debtor’s assumption of the contract.” *In re Entertainment, Inc.*, 223 B.R. 141, 151 (Bankr. N.D. Ill. 1998). Accordingly, to the extent that the Debtors seek to assume and assign any of the Employee Benefits Contracts, the Debtors must pay the full cure amounts based upon the actual amounts that are due on the date that any of the Employee Benefits Contracts are assumed by the Debtors (“Effective Date”). *See* 11 U.S.C. § 365(b)(1).

9. Amounts due under the Employee Benefits Contracts vary, and are subject to reconciliation based upon, among other things, reports submitted by the Debtors. Cure amounts must be based on the amount due on the Effective Date of any assumption, rendering amounts set forth in the Cure Notice stale and inaccurate.

10. Cigna expressly objects to the proposed \$0 cure amounts proposed by the Cure Notice. The following amounts were due and payable under the Employee Benefits Contracts for coverage through April, 2021:

- Group Medical, Dental & Vision Policy - \$2,253.40
- Agreement for Employee Assistance Program Services - \$826.80
- Voluntary Group Accident Indemnity Policy - \$2,212.98
- Voluntary Group Critical Illness Policy - \$4,661.37
- Voluntary Group Hospital Indemnity Policy - \$2,829.18
- Basic/Voluntary Accident Policy - \$1,261.64*
- Group Long-Term Disability Policy - \$5,149.38*
- Basic/Voluntary Life Insurance Policy - \$15,228.02*
- Administrative Services Agreement - \$5,088.00*
- Agreement for Administrative Services Only - \$982.04*
- NJ Disability Benefits Policy - \$2.00*

Further, amounts have and will continue to become due and owing under the Employee Benefits Contracts on and after April, 2021, and no cure amount can be fixed prior to the Effective Date.³

11. Any order permitting the assumption of the Employee Benefits Contracts must direct that the Debtors fully pay all amounts due to Cigna thereunder as of the Effective Date, as a condition precedent to such assumption.

B. Reservation – Incomplete and Erroneous Listings.

12. The Cure Notice fails to include all of the Employee Benefits Contracts with the Debtors, and includes ambiguous references to a “Program” and “Purchase Order[s].” However,

³ Article 8.2 of the Plan expressly recognizes that contract counterparties reserve their right to seek payment of amounts accruing after March 12, 2021 (the date of the Cure Notice) and the Effective Date of the Plan.

*Estimated based on Debtors’ eligibility reports and other factors.

because the Plan proposes to assume “[a]ll Executory Contracts,” Cigna presumes that all of the Employee Benefits Contracts will be assumed.

WHEREFORE, Cigna respectfully requests that this Court enter an order that: (i) directs full payment of all amounts due under the Employee Benefits Contracts as of the Effective Date; and (ii) grants Cigna such additional relief as this Court deems just and equitable.

Dated: April 7, 2021

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 7th day of April, 2021, a copy of the **Objection of Cigna Entities to Notice to Counterparties to Executory Contracts and Unexpired Leases the Debtors May Assume** was served via CM/ECF and as indicated upon the following parties.

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