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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re: THE ROMAN CATHOLIC BISHOP OF OAKLAND, a California corporation sole, Debtor.	Case No. 23-40523-WJL Chapter 11

WESTPORT INSURANCE CORPORATION'S OMNIBUS OPPOSITION TO (I) DEBTOR'S THIRD MOTION IN LIMINE TO LIMIT INSURERS' ARGUMENT AND EVIDENCE TO THE SCOPE OF THEIR CONFIRMATION OBJECTIONS AND (II) THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' MOTION IN LIMINE TO PRECLUDE OR LIMIT INSURER PARTICIPATION AT THE HEARING ON CONFIRMATION OF THE DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION

Westport Insurance Corporation ("Westport"), respectfully submits this Opposition to *Debtor's Third Motion in limine to Limit Insurers' Argument and Evidence to the Scope of their Confirmation Objections* [D.I. 3073] and *The Official Committee of Unsecured Creditors' Motion in limine to Preclude or Limit Insurer Participation at the Hearing on Confirmation of the Debtor's Modified Fourth Amended Plan of Reorganization* [D.I. 3059] (collectively, the "Motions"). Both Motions seek artificially and improperly to limit (or, in the case of the Committee Motion, entirely preclude) the

Objecting Insurers, including Westport, from presenting their case and representing their own interests at the confirmation hearing, despite the fact that the Fourth Amended Plan places substantial burdens on the Objecting Insurers and policies that they issued (or allegedly issued) to the Debtor.

Westport concurs with the arguments that Continental Casualty Company raises in its Objection and incorporates those arguments herein. Critically, neither the Debtor nor the Committee cite any precedent for the relief they seek, which would be highly prejudicial to Objecting Insurers such as Westport. Westport writes separately because *Truck* is unequivocal that insurers in chapter 11 proceedings are not peripheral parties and consequently are entitled to have a "voice" to raise their concerns. The Court should deny both Motions.

ARGUMENT

In its Motion, the Debtor seeks to limit the participation of insurers who filed timely plan objections, including Westport, to the specific discovery they sought in the Plan proceedings (without ever specifying how that limitation would be defined or enforced). The Committee's Motion goes even further. It seeks to bar the Objecting Insurers entirely from the main confirmation proceeding, relegating them to a conditional, secondary proceeding where they would have – if at all – only a limited opportunity to object, cross-examine witnesses and present argument. Neither proposal meets muster under either § 1109(b) or principles of fundamental fairness.

Notably, no court has implemented or approved these proposals, and with good reason.[1] They are contrary to the goals of transparency and broad participation embodied in the Bankruptcy Code, specifically § 1109(b). *Truck* recognizes that § 1109(b), with its "capacious" scope of who is a party in interest, is intended "to promote greater participation in reorganization proceedings." *See Truck Ins.*

[1] None of the cases that the Debtor cites involved even a remotely analogous situation. In *Roman Catholic Diocese of Albany*, for example, Judge Littlefield denied insurers standing to pursue claim objections, in large part because no plan of reorganization had been filed. The court recognized that the standing inquiry likely would be different if there were a proposed plan. *See In re Roman Cath. Diocese of Albany, N.Y.*, No. 23-10244, 2025 WL 2536165, at *7 (Bankr. N.D.N.Y. Sept. 3, 2025). In *New Orleans*, Judge Grabill, while expressing some skepticism about the objecting insurer's standing under § 1109(b), nonetheless heard the insurer's arguments in their entirety and ruled on the merits. *See In re Roman Cath. Church of the Archdiocese of New Orleans*, No. 20-10846, 2025 WL 3545484, at *4-5 (Bankr. E.D. La. Dec. 9, 2025). As for Judge Goldblatt's standing ruling in *In re AIO US, Inc.*, 672 B.R. 261 (Bankr. D. Del. 2025), not only did the court conclude that insurers had standing to be heard on issues incident to plan confirmation (the confirmation schedule), but the Court also allowed insurers to participate fully in the contested confirmation hearing. Indeed, in not one of these cases did the court muzzle an objecting insurer in the manner Movants request here.

Exch. v. Kaiser Gypsum Co., 602 U.S. 268, 279 (2024). Applying that broad definition to insurers, the Court found that a plan of reorganization may affect insurers in "myriad" ways such that insurers are "entitled to be fully heard and to have their legitimate objections addressed." *Id.* at 282 (quoting *In re Global Indus. Techs., Inc.*, 645 F.3d 201, 204 (3d Cir. 2011)).[2] Indeed, many of the objections that Westport and other insurers have raised in this case echo the types of legitimate concerns that the Supreme Court identified in *Truck*, including that the plan may "impair an insurer's contractual right to control settlement or defend claims," or that the plan may "abrogate an insurer's right to contribution." *See id.* at 281. *Truck* confirms that Objecting Insurers such as Westport "are not peripheral parties," and are just as entitled to offer evidence and make arguments to protect their interests as any other party in interest, such that there is no basis for a prior limitation on insurers' participation. *Id.* at 284. The Debtor is not entitled to a presumption that *ex ante* limitations singling out the insurers are appropriate where the Objecting Insurers are entitled, under *Truck*, to be heard on all matters that may affect the insurers, irrespective of whether they fit into the scope of specific discovery that the insurers sought affirmatively.

Moreover, the relief that Movants seek is not just unfair and prejudicial to the Objecting Insurers; it is simply unnecessary. As Movants have recognized, the Court retains the authority to control these proceedings. Should any of the parties engage in substantial time-wasting detours into irrelevant matters, the Court can curtail examination or argument as necessary. But the Motions offer no evidence that will be the case. Nor will they suffer any prejudice if the insurers participate in the proceedings without the unprecedented restrictions that the Movants seek here. This Court should

[2] To the extent that the Committee tries to suggest that Westport has limited or no standing because there are coverage disputes, that argument misses the mark. Courts have rejected the argument that an insurer has party in interest standing only where they have agreed to pay all of the claims tendered to it. *See In re Roman Cath. Diocese of Syracuse*, 665 B.R. 866, 875 (Bankr. N.D.N.Y. 2024) ("[L]iability does not need to be acknowledged or adjudicated before the teachings of *Truck* apply."). Indeed, *Truck* itself recognizes this principle because on remand the Fourth Circuit expressly recognized that Truck retained all of its coverage defenses to dispute coverage. *See Truck Ins. Exch. v. Kaiser Gypsum Co., Inc.* (*In re Kaiser Gypsum Co.*), 135 F.4th 185, 190 (4th Cir. 2025) (holding that tort claims "would still be subject to all the insurers' pre-petition coverage defense rights."). But the Debtor's argument is a red herring in any event. Not only has Westport participated in the resolution of historical claims (including the Clergy III settlement), but Westport has offered to participate in the settlement of the claims at issue in this bankruptcy. Westport was a signatory to a term sheet – filed on the docket at D.I. 2521 – that was to serve as a basis to move forward towards a settlement. It was not Westport that backed out of that deal.

follow the dictates of *Truck*, which holds that insurers are parties in interest with a right to be heard on all issues that may affect them.

CONCLUSION

The Court should deny the Motions.

Dated: June 10, 2026

/s/ Blaise S. Curet

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CERTIFICATE OF SERVICE

I hereby certify that on June 10, 2026, a copy of the foregoing was filed through the Electronic Case Filing System of the United States Bankruptcy Court, Northern District of California and served electronically to all parties registered to received notice via ECF.

Dated: June 10, 2026 /*s*/ S. Monique Belle