

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re:

The Diocese of Buffalo, N.Y.,

Debtor.

)
)
) Case No. 20-[10322]
)
) Chapter 11
)
)
)

**MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE CONTINUED MAINTENANCE OF THE
DIOCESE’S SELF-INSURANCE PROGRAMS; AND (II) AUTHORIZING
THE PAYMENT OF PREPETITION OBLIGATIONS IN RESPECT THEREOF**

The Diocese of Buffalo, N.Y. (the “Diocese”), by and through its undersigned counsel, hereby moves the Court (this “Motion”), for the entry of interim and final orders, substantially in the form of the proposed orders attached hereto as *Exhibits A* and *B*, respectively, (i) authorizing the Diocese to continue to maintain its self-insurance program for property, casualty, workers’ compensation and both general and automobile liability risks (the “SIP”) and its self-insured health program (the “SIHP”, and, collectively with SIP, the “Self-Insurance Programs”), and (ii) authorizing, but not directing, the Diocese to pay any prepetition claims, premiums, obligations and other administrative costs of the Self-Insurance Programs. In support of this Motion, the Diocese respectfully represents as follows:

BACKGROUND

1. On February 28, 2020 (the “Petition Date”), the Diocese filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (11 U.S.C. § 101 *et seq.*, the “Bankruptcy Code”) with the United States Bankruptcy Court for the Western District of New York (the “Court”), commencing the Diocese’s chapter 11 case (this “Chapter 11 Case”). The Diocese continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for a trustee or

examiner has been made in this Chapter 11 Case, and as of the date of this filing, no official committees have been appointed or designated.

2. Information regarding the Diocese's history, business operations and structure, and the events leading up to this Chapter 11 Case is set forth in the *Affidavit of Rev. Peter J. Karalus Regarding Structure and Pre-Filing History of The Diocese of Buffalo and in Support of the Chapter 11 Petition and First Day Pleadings* and the *Affidavit of Charles Mendolera Regarding the Diocese's Assets and Operations and in Support of the Chapter 11 Petition and First Day Pleadings*, each of which was filed on the Petition Date and is incorporated herein by reference.

JURISDICTION

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
5. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
6. The statutory and rule-based predicates for the relief requested herein are sections 105(a) and 363 of the Bankruptcy Code and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").
7. The Diocese does not, by filing its petition for relief and other documents in this Chapter 11 Case, waive any of its rights under any applicable law, including, without limitation, the Code of Canon law, the First Amendment of the United States Constitution, the Constitution for the State of New York, the Religious Freedom Restoration Act, the church autonomy doctrine, charitable trust law, New York trust law, and the rights to object to disclosure of information and to contend that certain assets which may be discussed in the Motion are not property of the estate.

RELIEF REQUESTED

8. By this Motion, the Diocese requests that the Court enter interim and final orders allowing the Diocese to continue to maintain the Self-Insurance Programs. The Diocese also seeks entry of an order authorizing, but not directing, the Diocese in its discretion, to pay any prepetition claims, premiums, defense costs, obligations and administrative costs related to the Self-Insurance Programs, and authorizing banks to honor checks and other withdrawals, whether for pre- or postpetition periods, for amounts representing payments or reimbursement of claims payable under the Self-Insurance Programs. To the extent coverage may be available under the Self-Insurance Programs' policies for claims made pursuant to the New York Child Victims Act (the "CVA"), the Diocese is not seeking authority to pay such claims at this time. The Diocese proposes to address all CVA claims, as well as any insurance coverage which may be available to cover them, in connection with its plan of reorganization.

9. An order granting the requested relief is necessary to minimize unnecessary disruption to the Diocese and other participants in the Self-Insurance Programs and to continue the insurance coverage funded with their premium payments. The Diocese is not requesting the assumption or rejection of any executory contracts in connection with this Motion.

I. The Self-Insurance Program

10. The Diocese has implemented the SIP as a means of ensuring that the Diocese and certain other Catholic entities (collectively, the "SIP Participants") have adequate insurance protection at a reasonable price by spreading risk among a large number of participants and leveraging their collective buying power to secure excess coverage at favorable rates.¹

¹ A current list of the SIP Participants is attached as *Exhibit C*.

11. Under the SIP, the Diocese coordinates and administers a self-insurance program providing coverage and risk management services for itself and each of the SIP Participants. The SIP currently provides self-insurance coverage, subject to applicable excess policies, for (i) direct and indirect property loss, business interruption and equipment breakdown (ii) general liability claims, including personal injury, employee benefits, sexual misconduct, employment practices, directors and officers, school board legal liability, cyber liability, errors and omissions, as well as automobile liability, and (iii) workers' compensation.

12. The SIP utilizes third party insurance brokers to assist the Diocese in purchasing appropriate excess coverage and administer various risk management programs. The SIP also utilizes third party claims administrators to oversee the administration and payment of workers' compensation claims in compliance with New York State statutes.

13. The Diocese funds the SIP primarily by billing each SIP Participant a ratable portion of the projected overall cost of administering the program and paying claims, using allocation methodologies which take into account numerous different ratable exposure bases. The Diocese strives to achieve a consistent and fair allocation of premium costs among the SIP Participants. For fiscal year 2019-2020, the Diocese has budgeted approximately \$7.4 million in premium revenue related to the SIP. This premium revenue is used to pay administrative costs of the program, to pay claims for losses, and to pay premiums for excess coverage.

14. Under the SIP, the Diocese is responsible for paying all claims for losses by any SIP Participant, up to the point of available excess coverage. The Diocese has a \$100 million excess policy with Travelers which provides coverage for property and business interruption losses in excess of the \$500,000 Diocesan self-insured retention ("SIR") on a per occurrence basis. For general and automotive liability, the Diocese is responsible for paying claims of up to the \$250,000

per occurrence SIR, with \$14.75 million of excess coverage provided through National Catholic Risk Retention Group and an additional \$25 million through W.R. Berkley. The Diocese also pays the first \$600,000 per occurrence with respect to any workers compensation claims. Claims above the \$600,000 SIR are paid by an excess insurance carrier, currently Star Insurance Co. If there are surplus SIP Funds remaining at the end of a fiscal year after payment of all costs and expenses related to the program, such surplus funds are deposited by the Diocese into a segregated reserve account and used to offset future obligations under the program.

15. The Diocese employs two full-time claims professionals with a combined sixty years of insurance claims handling experience who establish the case-specific reserves for each claim as well as calculate the reserves necessary to satisfy unknown claims that may have been incurred but not yet reported in accordance with standard insurance industry practice. As of the Petition Date, the SIP program had established case-specific reserves in the amount of approximately \$350,000 for property damage claims, \$2,850,000 for non-CVA general liability claims, and \$7,200,000 for workers compensation claims. Reserves for workers compensation claims are either held directly by the New York Workers Compensation Board or held in an investment account at Wilmington Trust (a subsidiary of M&T Bank) to collateralize a letter of credit issued by M&T Bank in favor of the Workers Compensation Board. All other program reserves are invested in the St. Joseph Investment Fund.

16. The SIP provides a practical, cost-effective way to manage risk for the SIP Participants under a single, comprehensive insurance program. If the SIP is not continued, the Diocese, together with each of the SIP Participants, will be forced to purchase separate insurance policies covering each entity and their respective properties. Upon information and belief, each of the Diocese and the other SIP Participants would incur substantially higher costs to obtain their

own individualized insurance (with or without a retention or deductible) than what they are currently assessed under the SIP. Moreover, without the broad collective risk profile provided by the SIP, certain types of coverage and available coverage limits may simply not be available on an individualized basis or on commercially reasonable terms.

17. The Diocese seeks to continue to maintain the SIP for itself and on the behalf of the SIP Participants and to pay claims under the SIP in accordance with past practice and in the ordinary course of business. The Diocese believes that the maintenance of the SIP is in the best interest of the estate and its creditors.

II. Self-Insured Health Program

18. The Diocese also coordinates and administers the SIHP, which provides voluntary self-insured medical coverage for Diocesan employees, employees other Catholic entities, and their dependents (the Diocese, together with such other participating employers, the “SIHP Participants”).² The SIHP currently provides health insurance coverage for approximately 408 individuals.

19. The SIHP utilizes a third-party administrator to assist the Diocese in processing claims and establishing appropriate financial contributions for the SIHP Participants and their employees. Independent Health Association, Inc. (“Independent Health”) serves as the administrator. Independent Health administers SIHP coverage through First Choice, a self-funded, tailored-network plan available for large group employers in Western New York.

20. As the administrator for the SIHP, Independent Health evaluates reimbursement claims submitted by healthcare providers, determines the appropriate amounts owed, and coordinates payment of claims. Independent Health bills the amount of any allowed claims and a

² A current list of the SIHP Participants is attached as *Exhibit D*.

per-capita administrative fee to the SIHP on a bi-weekly basis. The dollar value of claims payable to Independent Health in any given billing cycle varies depending upon the medical services utilized from time to time by SIHP beneficiaries. The administrative fee paid to Independent Health is, on average, approximately \$15,000 per month.

21. Each of the SIHP Participants pays premiums to cover the costs of providing coverage for its respective employees and their dependents under the SIHP. SIHP premiums are paid on a per-head basis and are calculated based upon the prior year's claim experience. In the event the SIHP experiences claims in excess of those budgeted, all SIHP Participants are required to contribute additional funds on a ratable basis to ensure the program remains fully funded. All funds related to the SIHP are maintained by the Diocese in a separate segregated account at M&T Bank and are used to pay claims and other costs of administration.

22. In the event a SIHP beneficiary requires extraordinary levels of medical care, the SIHP maintains a stop-loss policy with HM Insurance Group, Inc. ("HM"), which provides coverage for claims of any individual in excess of \$175,000 per year. Premiums for the stop-loss policy are paid directly to HM. The Diocese estimates that the ongoing monthly cost associated with maintaining SIHP stop-loss coverage is approximately \$19,000.

23. As of the Petition Date, the Diocese estimates that it has reserves for the SIHP of approximately \$1,000,000, which it believes to be sufficient to cover all known and anticipated claims under the program for the current fiscal year.

BASIS FOR RELIEF

24. This Court has authority to grant the relief requested herein pursuant to Bankruptcy Code sections 105(a) and 363(b). Bankruptcy Code section 363(b)(1) provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business,

property of the estate.” 11 U.S.C. § 363(b)(1). Moreover, Bankruptcy Code section 105(a) allows the Court to authorize payments on account of certain pre-petition claims when necessary. Bankruptcy Code section 105(a) provides, in relevant part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). This is generally referred to as the “necessity of payment rule” or the “doctrine of necessity.” See *In re NVR, L.P.*, 147 B.R. 126, 128 (Bankr. E.D. Va. 1992); *In re Colad Grp., Inc.*, 324 B.R. 208, 213 (Bankr. W.D.N.Y. 2005); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 177 (Bankr. S.D.N.Y. 1989), accord *In re Financial News Network, Inc.*, 134 B.R. 732, 736 (Bankr. S.D.N.Y. 1991) (pre-petition claims may be paid when so doing is “critical to the debtor’s reorganization”); *In re Eagle-Pitcher Indus.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (payment must be “necessary to avert a serious threat to the Chapter 11 process”); *In re Structurlite Plastics Corp.*, 86 B.R. 922, 931 (Bankr. S.D. Ohio 1988) (payment necessary to “permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately”) (quoting *In re Chateaugay Corp.*, 80 B.R. 279, 287 (S.D.N.Y. 1987)).

25. Courts have recognized that the “necessity of payment rule” is “well-established in bankruptcy common law.” *In re NVR, L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) (also stating that, under Bankruptcy Code section 105(a), a court “can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor”); see also *Official Comm. of Unsecured Creditors of Motor Coach Indus. Int’l v. Motor Coach Indus. Int’l (In re Motor Coach Indus. Int’l)*, 2009 U.S. Dist. LEXIS 10024, at *7 n.5 (D. Del. Feb. 10, 2009) (“[t]he ‘doctrine of necessity’ or ‘necessity of payment’ doctrine is a general rubric for the proposition that a court can authorize the payment of prepetition claims if such payment is essential to the continued operation of the debtor.”); *In re Just for Feet, Inc.*, 242 B.R. 821, 824-25 (D. Del. 1999) (holding that

Bankruptcy Code section 105(a) provides a statutory basis for the payment of prepetition claims under the doctrine of necessity and noting that “[t]he Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of prepetition claims when such payment is necessary for the debtor’s survival during chapter 11”); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (stating that a bankruptcy court’s use of its equitable powers to “authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept”) (citing *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 528 (1984)).

26. Moreover, a majority of the funds used to fund the Self-Insurance Programs are derived from sources other than the Diocese for the purpose of providing risk management services to other Catholic entities. The Diocese believes that it holds these funds in trust for the benefit of such other Catholic entities and that they are therefore not property of the Diocese’s bankruptcy estate. However, to the extent such funds could be characterized as estate assets, the Diocese believes the importance of maintaining appropriate insurance coverage for itself and the other participants in the Self-Insurance Programs without interruption justifies the relief sought in this Motion.

27. For the reasons described above, and in view of the Diocese’s need to maintain appropriate risk management programs to support its reorganization efforts and to ensure continued health care coverage for 408 individuals, authorizing the Diocese to continue to maintain the Self-Insurance Programs and to pay claims and other obligations under those programs in the ordinary course of business is in the best interests of all parties in interest in this case. The continuance of the Self-Insurance Programs is essential to the Diocese’s ability to minimize disruption during this Chapter 11 Case and to maximize the value of its estate for the benefit of its

creditors. Thus, the Diocese respectfully requests authorization (but not direction) to fully retain in place the existing Self-Insurance Programs and to honor prepetition obligations related thereto.

28. Relief similar to that requested herein has been granted in other chapter 11 cases in this circuit. *See, e.g., In re Diocese of Rochester, Inc.*, Case No. 19-20905 (PRW) (Bankr. W.D.N.Y. Nov. 8, 2019) [Docket No. 199]; *In re Eagle Bulk Shipping, Inc.*, Case No. 14-12303 (SHL) (Bankr. S.D.N.Y. Sept. 19, 2014) [Docket No. 99]; *In re Genco Shipping & Trading Ltd.*, Case No. 14-11108 (SHL) (Bankr. S.D.N.Y. Apr. 23, 2014) [Docket No. 168]; *In re Excel Mar. Carriers Ltd.*, Case No. 13-23060 (RDD) (Bankr. S.D.N.Y. Aug. 5, 2013) [Docket No. 127]; *In re Eastman Kodak Co.*, Case No. 12-10202 (ALG) (Bankr. S.D.N.Y. Feb. 15, 2012) [Docket No. 361]; *In re General Mar. Corp.*, Case No. 11-15285 (MG) (Bankr. S.D.N.Y. Dec. 15, 2011) [Docket No. 137].

WAIVER OF NOTICE AND STAY REQUIREMENTS

29. To implement the foregoing successfully, the Diocese seeks a waiver of the notice requirements under Bankruptcy Rule 6004(a) and any stay of an order granting the relief requested herein pursuant to Bankruptcy Rules 6004(h), 7062, 9014 or otherwise

RESERVATION OF RIGHTS

30. Nothing contained herein is intended or should be construed as an admission as to the validity, priority or amount of any claim against the Diocese, a waiver of the Diocese's right to dispute any claim or an approval or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code and the Diocese expressly reserves its rights with respect thereto.

NOTICE

31. Notice of this Motion will be given to (i) the Office of the United States Trustee for the Western District of New York, (ii) the Diocese's twenty (20) largest unsecured creditors as set

EXHIBIT A

Proposed Interim Order

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re:

The Diocese of Buffalo, N.Y.,
Debtor.

Case No. 20-[10322]

Chapter 11

**INTERIM ORDER (I) AUTHORIZING THE CONTINUED
MAINTENANCE OF THE DIOCESE'S SELF-INSURANCE
PROGRAMS; AND (II) AUTHORIZING THE PAYMENT OF
PREPETITION OBLIGATIONS IN RESPECT THEREOF**

Upon the motion of The Diocese of Buffalo, N.Y. (the "Diocese") for entry of interim and final orders (i) authorizing the Diocese to continue to maintain its Self-Insurance Programs; and (ii) authorizing, but not directing, the Diocese to pay any prepetition claims, premiums, obligations and other administrative costs of the Self-Insurance Programs [Docket No. ____] (the "Motion")¹; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of this Chapter 11 Case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate notice of the Motion has been given under the circumstances and that, except as otherwise ordered herein, no other or further notice is necessary; and the Court having reviewed the Motion and the record in this Chapter 11 Case and determined that granting the relief requested in the Motion on an interim basis is in the best interests of the Diocese, its estate, creditors and other parties in interest; and after due deliberation thereon, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them as in the Motion.

2. The Diocese is authorized, but not required, in its sole discretion, to continue to maintain the Self-Insurance Programs and to renew each underlying stop-loss or excess insurance policy on an uninterrupted basis and in accordance with the same practices and procedures as were in effect prior to the commencement of the Diocese's Chapter 11 Case.

3. The Diocese is authorized and empowered, but not directed, in its sole discretion, to pay any prepetition claims, premiums, defense costs, obligations and administrative costs related to the Self-Insurance Programs.

4. The Diocese is authorized, but not directed, in its sole discretion, to revise, extend, supplement or change insurance coverage under the Self-Insurance Programs as it deems necessary or advisable, including entering into new insurance policies, and to continue to collect funds from SIP Participants and SIHP Participants for the purposes of providing continued coverage under the Self-Insurance Programs.

5. The banks and financial institutions on which checks were drawn or electronic payment requests were made in connection with any prepetition Self-Insurance Program payments or obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment (to the extent of funds on deposit), and all such banks and financial institutions are authorized to rely on the Diocese's designation of any particular check or electronic payment request as being approved by this Interim Order.

6. The Diocese is authorized, but not directed, in its discretion, to issue new postpetition checks, or to effect new funds transfers, on account of Self-Insurance Program payments and obligations and to replace any prepetition checks or electronic funds transfer

requests issued that may be lost or dishonored or rejected as a result of the commencement of this chapter 11 case.

7. Nothing in this Interim Order nor any action taken by the Diocese in furtherance of the implementation hereof shall be deemed an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and the Diocese's rights with respect to such matters are expressly reserved.

8. Nothing in the Motion or this Interim Order, nor the Diocese's payment of any amounts pursuant to this Interim Order, if any, shall be construed as (i) an admission as to the validity of any claim against the Diocese, (ii) a waiver or impairment of the Diocese's rights to contest the validity or amount of any claim on any grounds, (iii) a promise to pay any claim, or (iv) an implication or admission by the Diocese that such claim is payable pursuant to this Interim Order.

9. The requirements set forth in Local Rule 9013-1(A) and (B) are satisfied.

10. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

11. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

12. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Interim Order shall be effective and enforceable immediately upon its entry. Notwithstanding any objection to the Motion or this Interim Order, this Interim Order shall remain in effect until further order of this Court. Any subsequent modification or vacatur of this Interim Order shall not invalidate or impair any actions taken pursuant to this Interim Order prior to such modification or vacatur.

13. A final hearing on the Motion (the "Final Hearing") shall be held on [____], 2020 at [__:__] [a.m./p.m.] (prevailing Eastern time). Any objections or responses to the Motion

shall be filed and served as required by the Local Rules of Bankruptcy Procedure for the Western District of New York on or before on [_____], 2020 at 4:00 p.m. (prevailing Eastern time). This Interim Order, and all acts taken in furtherance of or reliance upon this Interim Order, shall be effective notwithstanding the filing of an objection. In the event no objections or responses are timely filed and served in accordance with the foregoing, the Court may enter a final order granting the relief requested in the Motion without holding a Final Hearing.

14. The Diocese is hereby authorized to take all actions it determines are necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

15. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Interim Order.

Dated: _____, 2020
Buffalo, New York

Hon. Carl L. Bucki
United States Bankruptcy Judge

Exhibit B

Proposed Final Order

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re:

The Diocese of Buffalo, N.Y.,
Debtor.

Case No. 20-[10322]

Chapter 11

**FINAL ORDER (I) AUTHORIZING THE CONTINUED
MAINTENANCE OF THE DIOCESE’S SELF-INSURANCE
PROGRAMS; AND (II) AUTHORIZING THE PAYMENT OF
PREPETITION OBLIGATIONS IN RESPECT THEREOF**

Upon the motion of The Diocese of Buffalo, N.Y. (the “Diocese”) for entry of interim and final orders (i) authorizing the Diocese to continue to maintain its Self-Insurance Programs; and (ii) authorizing, but not directing, the Diocese to pay any prepetition claims, premiums, obligations and other administrative costs of the Self-Insurance Programs [Docket No. ____] (the “Motion”)¹; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of this Chapter 11 Case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and an order granting the relief requested in the Motion on an interim basis having been entered on [_____], 2020; and the Court having reviewed the Motion and the record in this Chapter 11 Case and determined that granting the relief requested in the Motion on a final basis is in the best interests of the Diocese, its estate, creditors and other parties in interest; and after due deliberation thereon, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them as in the Motion.

2. Any objections to the Motion, or to the relief requested therein, that have not been made, withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled and disallowed on the merits.

3. The Diocese is authorized, but not required, in its sole discretion, to continue to maintain the Self-Insurance Programs and to renew each underlying stop-loss or excess insurance policy on an uninterrupted basis and in accordance with the same practices and procedures as were in effect prior to the commencement of the Diocese's Chapter 11 Case.

4. The Diocese is authorized and empowered, but not directed, in its sole discretion, to any prepetition claims, premiums, defense costs, obligations and administrative costs related to the Self-Insurance Programs.

5. The Diocese is authorized, but not directed, in its sole discretion, to revise, extend, supplement or change insurance coverage under the Self-Insurance Programs as it deems necessary or advisable, including entering into new insurance policies, and to continue to collect funds from SIP Participants and SIHP Participants for the purposes of providing continued coverage under the Self-Insured Programs.

6. The banks and financial institutions on which checks were drawn or electronic payment requests were made in connection with any prepetition Self-Insurance Program payments or obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment (to the extent of funds on deposit), and all such banks and financial institutions are authorized to rely on the Diocese's designation of any particular check or electronic payment request as being approved by this Final Order.

7. The Diocese is authorized, but not directed, in its discretion, to issue new postpetition checks, or to effect new funds transfers, on account of Self-Insurance Program payments and obligations and to replace any prepetition checks or electronic funds transfer requests issued that may be lost or dishonored or rejected as a result of the commencement of this chapter 11 case.

8. Nothing in this Final Order or any action taken by the Diocese in furtherance of the implementation hereof shall be deemed an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and the Diocese's rights with respect to such matters are expressly reserved.

9. Nothing in the Motion or this Final Order, nor the Diocese's payment of any amounts pursuant to this Final Order, if any, shall be construed as (i) an admission as to the validity of any claim against the Diocese, (ii) a waiver or impairment of the Diocese's rights to contest the validity or amount of any claim on any grounds, (iii) a promise to pay any claim, or (iv) an implication or admission by the Diocese that such claim is payable pursuant to this Final Order.

10. The requirements set forth in Local Rule 9013-1(A) and (B) are satisfied.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Final Order shall be effective and enforceable immediately upon its entry. Any subsequent modification or vacatur of this Final Order shall not invalidate or impair any actions taken pursuant to this Final Order prior to such modification or vacatur.

12. The Diocese is hereby authorized to take all actions it determines are necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

13. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Final Order.

Dated: _____, 2020
Buffalo, New York

Hon. Carl L. Bucki
United States Bankruptcy Judge

Exhibit C

SIP Participants

01-01	Blessed Sacrament	Buffalo
01-02	All Saints	Buffalo
01-04	Assumption	Buffalo
01-05	St. Anthony of Padua	Buffalo
01-09	Holy Angels	Buffalo
01-10	Holy Cross	Buffalo
01-11	Holy Spirit	Buffalo
01-15	St Louis	Buffalo
01-16	St. Margaret	Buffalo
01-17	St. Mark	Buffalo
01-19	Coronation of BVM	Buffalo
01-21	St. Rose of Lima	Buffalo
01-22	St. Andrew Kim	Tonawanda
01-23	Our Lady of Hope	Buffalo
01-23	Annunciation	Buffalo
02-02	Blessed Trinity	Buffalo
02-02	St. Gerard	Buffalo
02-02	St. James	Buffalo
02-08	St. Joseph	Buffalo
02-09	St. Lawrence	Buffalo
02-13	St. Michael	Buffalo
02-17	St. Martin de Porres	Buffalo
02-18	St. Adalbert Cemetery	Buffalo
03-00	Response to Love Center	Buffalo
03-01	St. Adalbert	Buffalo
03-04	St. Bernard	Buffalo
03-05	St. Casimer	Buffalo
03-06	St. Ann	Buffalo
03-06	St. Columba	Buffalo
03-07	Corpus Christi	Buffalo
03-12	St. John Kanty	Buffalo
03-23	St. Stanislaus	Buffalo
03-26	St. Francis of Assisi	Buffalo
03-26	St. Katharine Drexel	Buffalo
04-06	St. Martin	Buffalo
04-08	O.L. of Perpetual Help	Buffalo
04-10	St. John the Evangelist	Buffalo
04-10	St. Teresa	Buffalo
04-11	St. Thomas Aquinas	Buffalo
04-13	Shrine of St. Jude	Buffalo
04-13	St. Clare	Buffalo
04-15	Our Lady of Charity	Buffalo
04-15	SS. Agatha & Ambrose	Buffalo
04-15	St. Agatha	Buffalo
04-15	St. Ambrose	Buffalo
04-15	Holy Family	Buffalo
05-01	St. Leo	Buffalo
05-02	Our Lady of Peace	Clarence
05-03	St. Benedict	Eggertsville
05-04	St. Stephen	Grand Island
05-05	Nativity BVM	Williamsville
05-06	St. Andrew	Kenmore
05-07	Blessed Sacrament	Kenmore
05-08	St. John the Baptist	Kenmore
05-09	St. Paul	Kenmore
05-11	Christ the King	Snyder
05-12	St. Mary	Swormville

05-13	St. Amelia	Tonawanda
05-14	St. Christopher	Tonawanda
05-14	St. Edmund	Tonawanda
05-15	St. Francis of Assisi	Tonawanda
05-16	SS Peter & Paul	Williamsville
05-17	St. Gregory the Great	Williamsville
05-18	St. Pius X	Getzville
05-19	Hope of Buffalo-333 Grider	Buffalo
05-20	St. Timothy	Tonawanda
06-01	Our Mother of Good Counsel	Blasdell
06-02	Sacred Heart	Bowmansville
06-03	St. Aloysius Gonzaga	Buffalo
06-04	Infant of Prague	Cheektowaga
06-05	Former Kolbe School	Buffalo
06-05	St. John Gualbert	Buffalo
06-06	St. Josaphat	Cheektowaga
06-09	Our Lady of Czestochowa	Buffalo
06-10	Our Lady Help of Christians	Cheektowaga
06-11	Queen of Martyrs	Cheektowaga
06-12	Resurrection	S. Cheektowaga
06-16	Fourteen Holy Helpers	Buffalo
06-17	St. Anthony	Lackawanna
06-22	Our Lady Of Bistrica	Lackawanna
06-23	Our Lady of Victory	Lackawanna
06-25	St. Mary	Lancaster
06-26	Our Lady of Pompeii	Lancaster
06-26	SS. Peter & Paul	Depew
06-27	St. Andrew	Sloan
06-29	Queen of Heaven	West Seneca
06-34	St. Philip the Apostle	S. Cheektowaga
06-36	St. Barbara	Lackawanna
06-36	St. Michael	Lackawanna
06-36	Queen of Angels	Lackawanna
06-37	Blessed John XXIII	West Seneca
06-37	St. William	West Seneca
06-38	St. James	Depew
06-38	Blessed Mother Teresa of Calcutta	Depew
06-39	St. Martha	Depew
07-01	St. Teresa	Akron
07-02	St. John the Baptist	Alden
07-03	Most Precious Blood	Angola
07-04	St. Francis of Assisi	Athol Springs
07-05	St. Gabriel	Elma
07-06	St. John the Baptist	Boston
07-06	St. Mary	E. Eden
07-10	Immaculate Conception	East Aurora
07-12	O. L. Sacred Heart	Orchard Park
07-13	Immaculate Conception	Eden
07-14	Annunciation	Elma
07-15	Our Lady of Mt. Carmel	Brant
07-15	St. Anthony	Farnham
07-16	St. Joseph	Gowanda
07-17	SS. Peter & Paul	Hamburg
07-18	St. Joseph	Holland
07-19	O. L. Sacred Heart	Colden
07-19	St. George	West Falls
07-22	St. Mary of the Lake	Hamburg

07-24	Holy Spirit	North Collins
07-26	Nativity	Orchard Park
07-27	St. Jude	Sardinia
07-28	St. Vincent de Paul	Springbrook
07-29	St. Aloysius	Springville
07-30	St. Bernadette	Armor
07-31	St. John Vianney	Orchard Park
07-32	Epiphany of Our Lord	Langford
07-33	St. Aloysius Regional School	Springville
07-35	Blessed John Paul II	Lakeview
07-35	O.L. Perpetual Help	Lakeview
07-35	St. Vincent	North Evans
08-03	St. Peter	Lewiston
08-05	St. John the Baptist	Lockport
08-14	St. John De Lasalle	Niagara Falls
08-14	St. Charles Borromeo	Niagara Falls
08-16	St. Mary of the Cataract	Niagara Falls
08-24	Immaculate Conception	Ransomville
08-27	O. L. of Czestochowa	N. Tonawanda
08-29	Good Shepherd	Pendleton
08-29	St. Augustine	Clarence
08-31	St. Bernard	Youngstown
08-33	Holy Family	Lewiston
08-35	St. Mary	Lockport
08-35	St. Joseph	Lockport
08-35	All Saints	Lockport
08-35	St. Patrick	Lockport
08-36	St. Stanislaus Kostka	Niagara Falls
08-36	Divine Mercy	Niagara Falls
08-37	St. Teresa of Infant Jesus	Niagara Falls
08-37	St. Raphael	Niagara Falls
08-38	St. Bridget	Newfane
08-38	St. Charles Borromeo	Olcott
08-38	Our Lady of the Rosary	Wilson
08-38	St. Brendan on the Lake	Newfane
08-39	Our Lady of Mount Carmel	Niagara Falls
08-39	St. Joseph	Niagara Falls
08-39	Holy Family of Jesus, Mary & Joseph	Niagara Falls
08-40	St. Albert the Great	N. Tonawanda
08-40	St. Jude the Apostle	N. Tonawanda
08-41	St. Leo	Twon of Niagara
08-41	Prince of Peace	Niagara Falls
08-41	St. Vincent de Paul	Niagara Falls
08-42	St. Joseph	Lyndonville
08-42	St. Patrick	Barker
08-42	Our Lady of the Lake	Barker
09-03	St. Rocco/St. Mary, Holley	Hulberton
09-03	St. Mary	Holley
09-07	St. Mark	Kendall
09-08	Holy Family	Albion
09-08	St. Joseph	Albion
09-09	Holy Trinity	Medina
09-09	St. Stephen	Middleport
09-09	Sacred Heart	Medina
09-09	St. Mary	Medina
10-05	St. Brigid	Bergen
10-20	Resurrection	Batavia

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10-20	St. Joseph	Batavia
10-20	St. Mary	Batavia
10-21	Ascension	Batavia
10-21	Sacred Heart of Jesus	Batavia
10-21	St. Anthony	Batavia
10-22	Our Lady of Mercy	Leroy
10-22	St. Joseph	Leroy
10-22	St. Peter	Leroy
10-23	St. Padre Pio	Oakfield
10-23	Our Lady of Fatima	Elba
10-23	St. Patrick	Wheatville
10-23	St. Cecelia	Oakfield
10-24	St. Maxmillian Kolbe	Corfu
10-24	Holy Name of Mary	E Pembroke
10-25	Mary Immaculate	East Bethany
10-25	Mary Immaculate	Pavilion
11-15	St. Michael	Warsaw
11-16	St. Mary	Arcade
11-16	St. Mary	Arcade
11-16	SS Peter & Paul	Arcade
11-17	St. Mary	Strykersville
11-17	St. John Neumann	Strykersville
11-17	St. Patrick	Java Center
11-17	St. Cecelia	Sheldon
11-18	St. Joseph	Varysburg
11-18	SS. Joachim & Anne	Attica
11-18	St. Vincent	Attica
11-19	St. Isidore	Perry
11-19	St. Joseph	Bliss
11-19	St. Mary	Silver Springs
11-19	St. Joseph	Perry
11-19	Assumption	Portageville
11-20	Immaculate Heart of Mary	Darien Center
11-20	O.L. Good Counsel	Darien Center
11-20	Sacred Heart of Jesus	Bennington Ctr.
12-01	St. Brendan & St. Jude	Almond
12-02	Blessed Sacrament	Andover
12-04	St. Patrick	Belfast
12-06	St. Mary	Bolivar
12-07	St. Mary	Canaserga
12-08	O.L. of the Angels	Cuba
12-09	St. Patrick	Fillmore
12-11	St. Mark	Rushford
12-12	Immaculate Conception	Wellsville
12-16	Holy Family Jesus, Mary & Joseph	Belmont
12-16	St. Joseph	Scio
12-16	St. Mary	Belmont
13-01	St. Bonaventure	Allegany
13-01	St. John the Baptist	Vandalia
13-02	St. Mary	Cattaraugus
13-05	Holy Name of Mary	Ellicottville
13-05	St. Pacificus	Humphrey
13-06	St. Philomena	Franklinville
13-13	St. John	Olean
13-15	St. Mary of the Angels	Olean
13-15	Sacred Heart	Portville
13-19	St. Patrick	Randolph

13-24	St. John the Baptist	West Valley
13-27	Our Lady of Peace	Salamanca
13-27	St. Patrick	Limestone
13-27	Holy Cross	Salamanca
14-06	Holy Trinity	Dunkirk
14-09	Catholic Academy of the Holy Family	Jamestown
14-10	Our Lady of Loretto	Falconer
14-12	St. Anthony	Fredonia
14-13	St. Joseph	Fredonia
14-16	St. James	Jamestown
14-16	Our Lady of Victory	Frewsburg
14-19	Sacred Heart	Lakewood
14-19	Our Lady of the Snows	Panama
14-25	St. Rose of Lima	Forestville
14-25	Our Lady of Mt. Carmel	Silver Creek
14-28	St. Elizabeth Ann Seton	Dunkirk
14-30	St. Mary of Lourdes	Bemus Point
14-30	Our Lady of Lourdes	Bemus Point
14-30	St. Mary	Mayville
14-31	Holy Apostles	Jamestown
14-31	SS Peter & Paul	Jamestown
14-31	St. John	Jamestown
14-32	St. Hedwig	Dunkirk
14-32	St. Hyacinth	Dunkirk
14-32	Blessed Mary Angela	Dunkirk
14-33	Christ Our Hope	French Creek
14-33	St. Matthias	French Creek
14-33	St. Isaac Jogues	Sherman
14-34	St. Dominic	Brocton
14-34	St. James	Westfield
14-34	St. Patrick	Brocton
15-01	The Nativity Miguel Middle School of Buffalo	Buffalo
15-02	Cath. Academy W. Bflo	Buffalo
15-04	Southern Tier School	Olean
15-05	Lockport Catholic School	Lockport
15-06	N. Chautauqua Cath. School	Dunkirk
15-10	Dominican Nuns	Buffalo
15-11	Oblate Sisters of Providence	Buffalo
15-25	Catholic Academy of Niagara Falls	Niagara Falls
15-26	Mary Queen of Angels Catholic School	Cheektowaga
15-27	Trinity Catholic Academy	Buffalo
15-28	Notre Dame Academy	Buffalo
15-29	Immaculate Conception School	Wellsville
15-30	St. Joseph Regional School	Batavia
15-31	Southtowns Catholic School	Lakeview
15-33	O L. Black Rock School	Buffalo
20-01	Mt. Olivet Cemetery	Kenmore
20-02	Holy Cross Cemetery	Lackawanna
20-03	Holy Sepulcher Cemetery	Cheektowaga
20-04	Gate of Heaven Cemetery	Niagara Falls
20-05	Assumption Cemetery	Gr. Island
20-06	Queen of Heaven Cemetery	Lockport
20-07	St. Mary/Sacred Heart Cem	Niagara Falls
20-08	St. Stanislaus Cemetery	Buffalo
20-14	Newman Center-SUNYAB	Buffalo
20-53	Christ the King Seminary	East Aurora
20-89	Croatian Sisters of Charity	W.Seneca

21-68	Cantalician Ctr Learning	Depew
21-68	Cantalician Ctr Learning-Tri Main	Buffalo
30-23	Eudist Fathers	Derby
30-24	Missionary Sisters of Our Lady of Mercy	Buffalo
30-25	Vincentian Community	Niagara University
30-26	Carmelite Sisters	Buffalo
30-37	Retrouvaille Buffalo, Inc.	Buffalo
01-14	St. Joseph Old Cathedral	Buffalo
20-10	Newman Center	Alfred
20-12	Newman Center-SUNYAF	Fredonia
20-13	Newman Center-Bflo State College	Buffalo
20-16	Newman Center-SUNYAB/Amherst C	W. Amherst
20-23	St. Jude Ctr.-Hosp. Apostolate	Buffalo
20-32	Newman Center-Daemen College	Snyder
20-35	St. Columban Retreat House	Derby
20-46	Chancery 795 & 801 Main Street	Buffalo
20-90	Mother Teresa Home	Buffalo
21-21	Bishop Timon High School (BO)	Buffalo
21-25	Notre Dame High School (BO)	Batavia
21-27	St. Mary's High School (BO)	Lancaster
21-31	Archbishop Walsh High School (BO)	Olean
21-34	Cardinal O'Hara High School (BO)	Tonawanda
21-60	CYO Camp Turner	Buffalo
30-17	O'Hara Retirement Home	Tonawanda
30-18	Central Buffalo Ministries Priest Residence	Buffalo
30-19	Bishop Head Priest's Residence	Lackawanna
30-22	Msgr. Conniff Priests' Residence	Lancaster

Exhibit D

SIHP Participants

St. John Neumann PO Box 9 Strykersville, NY 14145	Church of the Annunciation 7580 Clinton Street Elma, NY 14059	Queen of Angels Parish 144 Warsaw Street Lackawanna, NY 14218
St John de LaSalle 8477 Buffalo Avenue Niagara Falls, NY 14304	St Anthony of Padua Parish 160 Court Street Buffalo, NY 14202	Carmelite Monastery 75 Carmel Road Buffalo, NY 14214
St. Leo the Great Parish 885 Sweet Home Road Amherst, NY 14226	St Martin of Tours 1140 Abbott Road Buffalo, NY 14220-2794	St. Aloysius Parish 190 Franklin Street Springville, NY 14141
St. Paul Parish 33 Victoria Boulevard Kenmore, NY 14217	St. Benedict Parish 1317 Eggert Road Egbertsville, NY 14226	St. Jude the Apostle Parish 0840 800 Niagara Falls Blvd North Tonawanda, NY 14120
Sacred Heart of Jesus 5337 Genesee Street Bowmansville, NY 14026-1098	Christ the King Parish 30 Lamarck Drive Snyder, NY 14226	Dominican Nuns of the Perpetual Rosary 335 Doat Street Buffalo, NY 14211
St Raphael Parish 3840 Macklem Avenue Niagara Falls, NY 14305-1897	Immaculate Conception 6 Maple Avenue Wellsville, NY 14895-1594	Good Shepherd 5442 Tonawanda, Creek Road N. Tonawanda, NY 14120
St. Philip the Apostle Parish 950 Losson Road Cheektowaga, NY 14227	Our Lady of Fatima Shrine P.O. Box 167 Youngstown, NY 14174-0167	Our Lady of the Sacred Heart 3148 Abbott Road Orchard Park, NY 14127
Diocesan Cemeteries 4000 Elmwood Avenue Kenmore, NY 14217	Holy Trinity Parish 211 Eagle Street Medina, NY 14103	The Diocese of Buffalo, N.Y. 795 Main Street Buffalo, NY 14203
St. Mary of the Angels Parish 202 S. Union Street Olean, NY 14760	St. Joseph Parish 145 East Main Street Fredonia, NY 14063	
Our Lady of Victory Homes of Charity 780 Ridge Road Lackawanna, NY 14218	Our Lady of Victory National Shrine 767 Ridge Road Lackawanna, NY 14218	