

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

In re

MODIVCARE INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-90309 (ARP)

(Jointly Administered)

Re: Docket No. 465

**THE CHUBB COMPANIES' LIMITED OBJECTION
TO THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF MODIVCARE INC. AND ITS DEBTOR AFFILIATES**

ACE American Insurance Company, Pacific Employers Insurance Company, Illinois Union Insurance Company, Westchester Fire Insurance Company, Westchester Surplus Lines Insurance Company, ACE Property and Casualty Insurance Company, Indemnity Insurance Company of North America, ACE Fire Underwriters Insurance Company, Federal Insurance Company, Executive Risk Indemnity Inc., Great Northern Insurance Company, and ESIS, Inc. (collectively, and together with each of their respective affiliates and successors, solely in their capacities as insurers and third party administrators, the “Chubb Companies”), by and through their undersigned counsel, hereby file this limited objection the (“Limited Objection”) to confirmation of the *First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* (as may be amended, modified, or supplemented from time to time, the “Plan”) [Doc. No. 465] and respectfully state as follows:

¹ A complete list of each of the Debtors in these chapter 11 cases (the “Chapter 11 Cases”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.



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BACKGROUND

1. On August 20, 2025 (the “Petition Date”), ModivCare Inc. (“ModivCare”) and certain of its affiliates (collectively, with ModivCare, the “Debtors”) each filed a voluntary petition for bankruptcy relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”),

2. On October 6, 2025, the Debtors filed the Plan.

3. On October 30, 2025, the Debtors filed the *Notice of Potential Assumption of Certain of Debtors’ Executory Contracts and Unexpired Leases* [Doc. No. 605], which contained a schedule of executory contracts that the Debtors may choose to assume pursuant to section 365 of the Bankruptcy Code (the “Assumption Schedule”).

4. In connection with the issuance of an insurance policy by ACE American Insurance Company to ModivCare as the first named insured providing workers’ compensation, automobile liability and general liability coverage, ModivCare, on behalf of itself and each of its affiliates that are insureds under the Chubb Insurance Program (as defined therein), executed that certain Memorandum dated November 3, 2025 (the “Memorandum”). Pursuant to the Memorandum, the Debtors agreed to include certain language in any order confirming any plan of reorganization or liquidation (each, a “Confirmation Order”) filed by ModivCare in the Chapter 11 Cases (the “Chubb Language”).² In the Memorandum, the Debtors also represented that that they had the power and authority to enter into and execute the Proposal (as defined therein to include the Memorandum).

² The Memorandum further provides that, to the extent the Chubb Language requires certain revision, such revisions are subject to the written approval of Chubb. The Chubb Language also addresses the assumption by the Debtors of the Chubb Insurance Program (as defined in the Memorandum). For the avoidance of doubt, if the Chubb Language is not included in a Confirmation Order, this Limited Objection reserves and preserves the Chubb Companies’ rights and defenses with respect to the Assumption Schedule.

5. As of the filing of this Limited Objection, the Debtors have not filed any Confirmation Order.

6. The Plan also provides for a Third-Party Release. Plan Art. X, Sec. 10.6(b). Each Holder of a Claim in a Voting Class that does not affirmatively elect to “opt out” of the Third-Party Release is a Releasing Party. Plan at 13.

THE INSURANCE PROGRAMS

7. Prior to and after the Petition Date, the Chubb Companies issued certain insurance policies (as renewed, amended, modified, endorsed, or supplemented from time to time, collectively, the “Policies”) to one or more of the Debtors as named insureds or that may otherwise provide coverage to the Debtors.

8. Prior to the Petition Date, the Chubb Companies and the Debtors also entered into certain written agreements in connection with the Policies (as renewed, amended, modified, endorsed, or supplemented from time to time, collectively, the “Insurance Agreements”).

9. Pursuant to certain Policies and Insurance Agreements (collectively, the “ACE Insurance Program”), ACE American Insurance Company, Pacific Employers Insurance Company, Illinois Union Insurance Company, Westchester Fire Insurance Company, Westchester Surplus Lines Insurance Company, ACE Property and Casualty Insurance Company, Indemnity Insurance Company of North America, ACE Fire Underwriters Insurance Company, and/or certain of their U.S.-based affiliates provide, *inter alia*, certain workers’ compensation, professional liability, excess, business automobile, private company, cyber, umbrella, property, errors and omissions, medical programs, package, directors’ and officers’, general liability, automobile liability, employed lawyers, employment practices liability, international, travel accident, privacy protection, and other insurance for specified policy periods subject to certain limits, deductibles, retentions, exclusions, terms and conditions, as more particularly described therein; and the

insureds, including one or more of the Debtors, are required to pay to the Chubb Companies certain amounts including, but not limited to, insurance premiums (including audit premiums), deductibles, funded deductibles, expenses, taxes, assessments and surcharges, as more particularly described in the ACE Insurance Program (collectively, the “ACE Program Obligations”).

10. Pursuant to certain other Policies and Insurance Agreements (collectively, the “Federal Insurance Program” and, together with the ACE Insurance Program, the “Insurance Programs”),³ Federal Insurance Company, Executive Risk Indemnity Inc., Great Northern Insurance Company, and/or certain of their U.S.-based affiliates provide, *inter alia*, certain crime, professional liability, fiduciary liability, directors’ and officers’, package, automobile, employed lawyers, umbrella, workers’ compensation, errors and omissions, and other insurance for specified policy periods subject to certain limits, deductibles, retentions, exclusions, terms and conditions, as more particularly described therein, and the insureds, including one or more of the Debtors, are required to pay to the Chubb Companies certain amounts including, but not limited to, insurance premiums (including audit premiums), deductibles, funded deductibles, expenses, taxes, assessments and surcharges, as more particularly described in the Federal Insurance Program (collectively, the “Federal Program Obligations” and, together with the ACE Program Obligations, the “Obligations”).⁴

11. The Obligations⁵ are payable over an extended period of time and are subject to future audits and adjustments.

³ The descriptions of the Insurance Programs set forth herein are not intended to, and shall not be deemed to amend, modify or waive, any of the terms or conditions of the Insurance Programs. Reference is made to the Insurance Programs for a complete description of their terms and conditions.

⁴ As used herein, all references to the Chubb Companies shall include ESIS, Inc. (“ESIS”), all references to the Insurance Programs shall include any agreements entered into between ESIS and one or more of the Debtors (or any of their affiliates or predecessors) (collectively, the “ESIS Agreements”), and all references to the Obligations shall include any obligations arising under the ESIS Agreements.

⁵ The Obligations include both monetary and non-monetary obligations that the insureds, including one or more of the Debtors, may have.

12. Certain of the Obligations are secured by irrevocable standby letter of credit, a paid loss deposit fund, and cash collateral.

LIMITED OBJECTION

A. The Chubb Language

13. The Chubb Companies object to the Plan solely to the extent that a Confirmation Order does not include the Chubb Language, as is required by the Memorandum which ModivCare signed on behalf of itself and certain of its affiliates.

14. To the extent that a Confirmation Order is filed in connection with the Plan that includes the Chubb Language, subject to confirmation from the Chubb Companies that the Plan and Confirmation Order are acceptable and otherwise in accordance with the Memorandum, the inclusion will resolve this Limited Objection.

15. However, should the Chubb Language not be included in a Confirmation Order filed in connection with the Plan, the Chubb Companies specifically reserve their rights to object to the Plan on any basis.

B. The Third-Party Releases

16. The United States Supreme Court held in *Harrington v. Purdue Pharma L.P.* that bankruptcy courts cannot involuntarily alter relationships between non-debtors by imposing nonconsensual releases of, or injunctions barring, claims between them. 603 U.S. 204, 209, 227 (2024). The Supreme Court did not prohibit chapter 11 plans from memorializing consensual third-party releases, nor did it “express a view on what qualifies as a consensual release.” *Id.* at 226.

17. Under the Plan’s definition of Releasing Party as set forth above, the Chubb Companies may qualify as a Releasing Party and may be deemed to release the Released Parties other than the Debtors and the Reorganized Debtors, as well each Related Party to the Released

Parties (including each Related Party of the Debtors and the Reorganized Debtors), for their own independent obligations under the Insurance Programs.

18. Through this Limited Objection, the Chubb Companies object to the Third-Party Release and/or elect to “opt out” of the Third-Party Release

CONCLUSION

WHEREFORE, the Chubb Companies respectfully request that this Court (a)(i) condition confirmation of the Plan on the inclusion of the Chubb Language in any Confirmation Order, or (ii) deny confirmation of the Plan to the extent that a Confirmation Order does not include the Chubb Language, and (b) grant such other relief as the Court deems appropriate.

Dated: November 25, 2025

Respectfully submitted,

/s/ James H. Billingsley

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Counsel to the Chubb Companies

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CERTIFICATE OF SERVICE

I certify that on November 25, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas as permitted by Bankruptcy Rule 9036 and on the parties listed on Exhibit A hereto *via* email.

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Exhibit A

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