



*Frank W. Volk*  
Frank W. Volk  
United States District Judge

**Dated: February 25th, 2020**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA**

<p><b>In re:</b></p> <p><b>THOMAS HEALTH SYSTEM, INC., et al.</b></p> <p><b>Debtors<sup>1</sup></b></p>	<p>Chapter 11</p> <p>Case No. 20-20007 (FWV)</p> <p>(Jointly Administered)</p> <p>Related to Docket No. 15</p>
---	--

**FINAL ORDER AUTHORIZING THE DEBTORS TO: (I) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO; (II) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES; (III) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER; AND (IV) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") for entry of interim and final orders pursuant to sections 105, 363, 503, 1107(a), 1108, and 1112(b) of the Bankruptcy Code, authorizing the Debtors to: (i) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto; (ii) renew, amend, supplement, extend, or purchase Insurance Policies; (iii) honor the terms of the Premium Financing Agreements and pay premiums thereunder; and (iv) enter into new Premium Financing Agreements in the ordinary course of business; the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having entered the Interim Order on January 15, 2020 granting the

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Thomas Health System, Inc. (0674); Herbert J. Thomas Memorial Hospital Association (4900); Charleston Hospital, Inc. (2692); and THS Physician Partners, Inc. (5947).

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Motion on an interim basis [Doc. No. 84], and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to continue the Insurance Policies, and, in their sole discretion, pay and honor any prepetition amounts outstanding under, or post-petition obligations related to, the Insurance Policies in the ordinary course of business and to pay any prepetition amounts due in connection therewith.
3. The Debtors are authorized, but not directed, to renew, amend, supplement, extend, or purchase insurance policies, and to enter into premium financing agreements as necessary, to the extent that the Debtors determine in their sole discretion, that such action is in the best interest of their estates; provided however, that, absent further Court approval, any premium financing agreement to be entered into or renewed shall limit collateral to unearned premiums or payment on account of loss with respect to the associated policy.
4. The Debtors are authorized, but not directed, to pay any Insurance Deductibles in the ordinary course of business without further Court order; provided, however, that the Debtors provide the Bond Trustee and the Official Committee of Unsecured Creditors with advance notice of any Insurance Deductible that is in excess of \$100,000.00.
5. The Debtors are, in their sole discretion, authorized to honor their obligations under the Premium Financing Agreements without interruption and in accordance with the same

practices and procedures as were in effect prior to the commencement of the Debtors' Chapter 11 Cases.

6. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay any and all checks, drafts, wires, check transfer requests or automated clearing house transfers evidencing amounts paid by the Debtors under this Order, whether presented prior to, on or after the Petition Date to the extent the Debtors have good funds standing to their credit with such bank or other financial institution. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

7. The Debtors are authorized to issue post-petition checks, or to effect post-petition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with any Insurance Policies.

8. Notwithstanding the relief granted in this Final Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and limited by any orders in the Chapter 11 Cases authorizing the use of cash collateral and the budget described therein.

9. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of or basis for any claims against the Debtors in connection with or relating to the Debtors' Insurance Policies.

10. To the extent any Insurance Policies or related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Order nor any payments made in accordance with this Order shall constitute the post-petition assumption or

reaffirmation of those Insurance Policies or related agreements under section 365 of the Bankruptcy Code.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion. Authorizations given in this Order empower but do not direct the Debtors to effectuate any of the payments specified herein.

12. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission regarding the validity or amount of any claim against the Debtors; (b) a waiver of the Debtors' rights to subsequently dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (e) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law.

13. The notice of the relief requested in the Motion satisfies Bankruptcy Rule 6004(a) and, pursuant to Bankruptcy Rule 6004(h), the terms and provisions of this Order shall be immediately effective and enforceable upon its entry.

14. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Final Order.

Presented By:

/s/ Brandy M. Rapp  
Brandy M. Rapp (WV Bar No. 10200)  
WHITEFORD TAYLOR & PRESTON LLP  
10 S. Jefferson Street, Suite 1110  
Roanoke, Virginia 24011  
(540) 759-3577 Tel.  
(540) 759-3567 Fax  
brapp@wtplaw.com

Michael J. Roeschenthaler (PA Id. No. 87647)  
200 First Avenue, Third Floor  
Pittsburgh, PA 15222  
(412) 618-5601 Tel.  
mroeschenthaler@wtplaw.com

*Proposed Counsel to the Debtors and  
Debtors-in-Possession*

-AND-

Jared M. Tully, Esq. (WV Bar No. 9444)  
FROST BROWN TODD, LLC  
500 Virginia Street East, Suite 1100  
Charleston, WV 25301  
304-345-0111 (phone)  
304-345-0115 (fax)  
jtully@fbtlaw.com

Ronald E. Gold, Esq. (Ohio Bar No. 0061351)  
Douglas L. Lutz, Esq. (Ohio Bar No. 0064761)  
3300 Great American Tower  
301 East Fourth Street  
Cincinnati, Ohio 45202  
513-651-6800 Telephone  
513-651-6981 Facsimile  
rgold@fbtlaw.com  
dlutz@fbtlaw.com

*Proposed Local Counsel to the Debtors and  
Debtors-in-Possession*

10695496

**Notice Recipients**

District/Off: 0425-2  
Case: 2:20-bk-20007

User: jjr  
Form ID: pdf001

Date Created: 2/25/2020  
Total: 2

**Recipients of Notice of Electronic Filing:**

aty	Brandy M Rapp	brapp@wtplaw.com
aty	Daniel R. Schimizzi	dschimizzi@wtplaw.com

TOTAL: 2