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Attorneys for United States Liability Ins. Co.

FILED

JUN - 8 2005

OFFICE OF
WORKERS' COMPENSATION JUDGE
HELENA, MONTANA

IN THE WORKERS' COMPENSATION COURT OF
THE STATE OF MONTANA

.....

ROBERT FLYNN and CARL MILLER,

WCC No. 2000-0222

Petitioners,

-vs-

MONTANA STATE FUND,

RESPONSE OF UNITED STATES
LIABILITY INSURANCE CO.

Respondent/Insurer

.....


Comes now United States Liability Ins. Co. ("USLIC"), through counsel, and responds to the Court's May 4, 2005, Summons as follows:

USLIC does not fall within the scope of the common fund attorney fee lien attempted to be asserted in this matter. USLIC did not issue a workers' compensation policy nor did it pay a workers' compensation claim in Montana at any time during the time period in issue. See attached affidavit of J. Richard Petersen, Jr. Therefore, USLIC does not, and cannot, dispute the application of *Flynn v. State Compensation Ins. Fund* to claimants it insured because there are no such claimants. Therefore, USLIC does not fall within the scope of the proposed common fund attorney fee lien and should not be subject to any such lien, should such be created or determined to exist, nor should USLIC be made a member of any class upon which liability could or should be imposed in this matter.

DATED this 7th day of June, 2005.

DAVIS, HATLEY, HAFFEMAN & TIGHE, P.C.

By



JAMES A. DONAHUE

P.O. Box 2103

Great Falls, Montana 59403-2103

Attorneys for United States Liability Ins. Co.

AFFIDAVIT

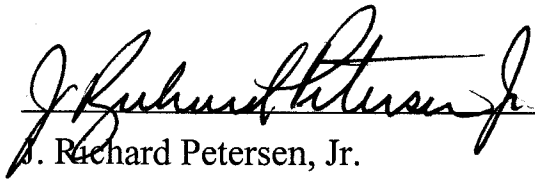
COMMONWEALTH OF PENNSYLVANIA: SS
COUNTY OF MONTGOMERY : SS

I, J. Richard Petersen, Jr., I, being duly sworn according to law hereby do depose and swear as follows:

1. I am the Vice President, Corporate Counsel, Chief Compliance Officer and Secretary for United States Liability Insurance Company (USLIC). I have held these titles for approximately two and one half years.
2. In this capacity I am responsible for overseeing compliance with state insurance statutes and regulations relating to USLIC business.
3. In this capacity, I review the Exhibit of Premiums and Losses (Statutory Page 14) to the Annual Statement submitted to the State of Montana every year. As Vice President and Secretary of USLIC, I am required to attest to the accuracy of information reported in the Annual Statement by signing an affidavit that is attached to and becomes part of the Annual Statement.
4. I am also generally familiar with the methods by which premium data is collected and reported and was collected and reported in the Annual Statement during the time period at issue in this matter.
5. I personally directed the Accounting Department in an investigation of USLIC premium and loss information in Montana to determine whether the company wrote a workers' compensation policy for which premium was collected and/or paid a workers' compensation claim in Montana.

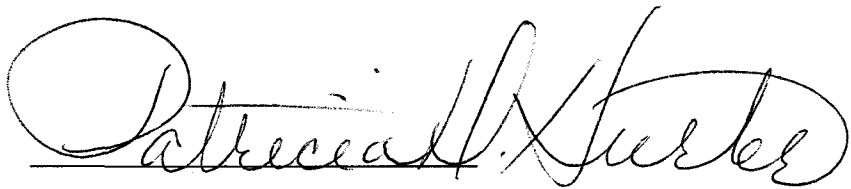
6. Based on a thorough review of all available premium and loss data, we have determined that USLIC did not issue a workers' compensation policy nor did it pay a workers' compensation claim in Montana at any time during the time period at issue.

I swear or affirm that the foregoing is true and correct to the best of my knowledge, information and belief. I am aware I am subject to punishment of any statements herein are willfully false.



J. Richard Petersen, Jr.
Vice President, Corporate Counsel, Chief Compliance Officer and Secretary
United States Liability Insurance Company

Sworn to and Subscribed
before me this 9 day of
June 2005.



NOTARY PUBLIC

NOTARIAL SEAL
PATRICIA D HURTER, Notary Public
Wayne, Montgomery County
My Commission Expires June 9, 2006

MAXON R. DAVIS
GREGORY J. HATLEY
DENNIS J. TIGHE
PAUL R. HAFFEMAN
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FILE NO. 6095

June 7, 2005

Workers' Compensation Court of
the State of Montana
P.O. Box 537
Helena, MT 59624-0537

Re: *Flynn v. Montana State Fund*
Reesor v. Montana State Fund
Satterlee v. Lumberman's Mutual Casualty Company

Gentlemen:

Please file the enclosed Response of United States Liability Insurance Co. in the above-entitled matter.

Very truly yours,

DAVIS, HATLEY, HAFFEMAN & TIGHE P.C.

By 
James A. Donahue

JAD:aab
Enclosure