

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:
Reliance Insurance Company
In Liquidation

NO.1 REL 2001

2012 JUL - 3 A 11: 36

RECEIVED AND FILED
COMMONWEALTH COURT
OF PA (PHILA)

IN RE: *Commutation, Settlement Agreement and Release between
Reliance Insurance Company (In Liquidation) and
Connecticut General Life Insurance Company*

ORDER

AND NOW, this ____ day of _____ 2012, upon consideration of the Liquidator's Petition for Approval of the Commutation, Settlement Agreement and Release ("Settlement Agreement") between Reliance Insurance Company ("Reliance" or "Estate") and Connecticut General Life Insurance Company (the "Reinsurer") submitted by the Liquidator of Reliance Insurance Company ("Liquidator"):

The Court ACCEPTS the Liquidator's representations that the Settlement Agreement is in the best interest of the Estate, as the Settlement Agreement allows the Liquidator

to terminate and commute the obligations of the Reinsurer under the Reinsurance Agreements and the Estate will receive an economic benefit amounting to \$7,044,565;

Further, the Court accepts the Liquidator's representations that the Settlement Agreement is a fair and reasonable settlement of the Reinsurer's obligations to the Estate under the Reinsurance Agreements and that the payment contemplated under the Settlement Agreement constitutes fair and reasonable value to the Estate;

Accordingly, the Court accepts the Liquidator's representations and based thereon approves the Commutation, Settlement Agreement and Release.

Further, counsel for the Liquidator is directed to serve a copy of this Order upon those listed on the Master Service List and file with the Court an affidavit that service has been effectuated.

BONNIE BRIGANCE LEADBETTER
President Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:
Reliance Insurance Company
In Liquidation

NO. 1 REL 2001

IN RE: *Commutation, Settlement Agreement and Release between
Reliance Insurance Company (In Liquidation) and
Connecticut General Life Insurance Company*

**Liquidator's Petition For Approval Of
Commutation, Settlement Agreement And Release**

RECEIVED AND FILED
COMMONWEALTH COURT
OF PA (PHILA)
2012 JUL -3 A 11:36

Petitioner Michael F. Consedine, Insurance Commissioner for the Commonwealth of Pennsylvania, in his capacity as Statutory Liquidator ("Liquidator") of Reliance Insurance Company ("Reliance" or "Estate"), respectfully requests that this Court enter an Order approving the Commutation, Settlement Agreement and Release ("Settlement Agreement"), attached hereto as Exhibit A, between Reliance and Connecticut General Life Insurance Company ("Reinsurer"). In support of this Petition, the Liquidator avers the following:

1. On October 3, 2001, this Court found Reliance insolvent and appointed the Commissioner as Liquidator of Reliance pursuant to Article V of the Insurance Department Act of 1921, 40 P.S. §221.1 et seq. ("Act"). The Act confers broad powers on the Liquidator to marshal the assets of Reliance in order to maximize the value of the insolvent insurer's estate for eventual distribution to its policyholders and creditors.

2. The Act authorizes the Liquidator to take such actions as deemed “necessary or expedient to . . . conserve or protect [the insolvent insurer’s] assets or property” including the power to “compromise” claims involving assets of the insolvent insurer in order to accomplish or aid in achieving the purposes of liquidation. See 40 P.S. §221.23 (6, 9, and 23).

3. One way in which the Liquidator “compromises” claims and “conserves” assets is through commutation. A commutation is a settlement agreement reached between a reinsured and its reinsurer by which the reinsurance obligation is terminated through an agreement by the reinsurer to pay funds that are both due and not yet due under the reinsurance agreement.

4. Prior to entering into a commutation, Reliance staff takes several steps, including the following, to ensure that the commutation is fair and reasonable to the Estate and in the best interests of its policyholders, claimants and the general public:

(a) Reliance staff develops a complete list of reinsurance agreements to be included in the commutation;

(b) Reinsurance accounting specialists for Reliance verify balances and reconcile differences with the reinsurer;

(c) The Reliance claims staff reviews ceded case reserves and, when applicable, assumed case reserves;

(d) Actuaries for Reliance determine the projected ultimate loss, discounted and undiscounted, taking into consideration specific contract features such as reinstatement premiums, sliding scale rates, commission adjustments and/or loss corridors¹ as well as the impact of other applicable reinsurance and off-sets;

¹ A loss corridor is a mechanism contained in certain reinsurance agreements that requires the ceding insurer to be responsible for a certain amount of the ultimate net loss that is above the company’s designated retention and below the designated limit, and which would otherwise be reimbursed under the reinsurance agreement. A loss corridor is usually expressed as a loss ratio percentage of the reinsurer’s earned premium, or a combined ratio if the reinsurance agreement provides for a ceding commission to the company. Loss corridors are employed to mitigate the volatility of reinsurance agreements.

(e) Reliance staff and the reinsurer exchange commutation proposals and discuss justifications;

(f) Reliance staff evaluate the commutation proposal based on nominal results, the discounted results, the volatility and trends of the business, disputed issues, costs of litigation and any administrative savings; and

(g) Reliance staff and the reinsurer secure any required approvals.

5. The Liquidator has established a Commutation Working Group which performs accounting and data reconciliations, actuarial analyses, and claims reviews and analyses. The Commutation Working Group is largely comprised of several key senior management employees, each of whom has over 20 years of insurance and reinsurance experience.

6. In addition, the Liquidator has established a Commutation Committee, consisting of the Chief Liquidation Officer, the Chief Actuary and the Executive Vice-President for Reinsurance who, along with the Vice-President for Commutations, review all commutation proposals. Any commutation in excess of \$1,000,000 must be approved by the Commutation Committee and the approval was provided in this case.

7. In addition, Reliance's independent consulting actuaries, PricewaterhouseCoopers, have reviewed Reliance's commutation approach both generally and with respect to certain individual transactions and have concluded that the process Reliance utilizes to estimate liabilities ceded to reinsurers and liabilities on assumed business, when applicable, is reasonable for commutation purposes.

8. Through this Settlement Agreement, Reliance's objective is to settle and finalize its relationship with the Reinsurer for all reinsurance contracts written through Unicover Managers (the underwriting manager for the Reinsurer) covering workers' compensation losses. These reinsurance contracts are specifically listed in Exhibit A of the Settlement Agreement (the

“Reinsurance Agreements”).

9. As of June 30, 2011, all reported claims relevant to the Reinsurer’s participations in the Reinsurance Agreements have been identified. As part of its due diligence for this Settlement Agreement, senior Reliance actuarial and claims personnel conducted a review of relevant claims under the Reinsurance Agreements in order both to verify the reasonableness of the case reserves and to project the timing of payments for each relevant claim. These case reserves are not discounted for the time value of money.

10. Reliance actuaries then conducted an in-depth analysis to determine appropriate commutation values. In order to develop the actuarial estimates, Reliance’s actuarial model used a variety of traditional and generally accepted actuarial methods. The resulting value is then discounted for the time value of money.

Settlement Agreement

11. Reliance then negotiated with the Reinsurer to commute its obligations under the Reinsurance Agreements for an agreed amount of \$7,044,565 which is acceptable based upon the range of values established by the Reliance actuaries and entered into the Settlement Agreement, subject to the approval of this Court. The Settlement Agreement settles with certainty the claims against the Reinsurer for losses under the Reinsurance Agreements identified in Exhibit A to the Settlement Agreement.

12. Specifically, the Settlement Agreement provides that the Reinsurer shall pay Reliance \$7,044,565 (the “Commutation Amount”) to commute its obligations under the Reinsurance Agreements within ten (10) business days from when the Reinsurer is notified that this Court has approved the Settlement Agreement. The Commutation Amount was negotiated

with the Reinsurer, and the Liquidator has taken the necessary steps to determine, and has concluded, that the terms of the Settlement Agreement are fair and reasonable to the Estate and in the best interest of the policyholders, claimants and the general public. See 40 P.S. §§ 221.1(c), 221.23(9).

13. Based on the analysis of the terms of the Settlement Agreement and the evaluation of the transaction as a whole by the Liquidator's staff and Reliance staff members familiar with the business dealings under the Reinsurance Agreements, the Liquidator has determined that payment of the Commutation Amount by the Reinsurer is a fair and reasonable commutation of the Reinsurer's obligations to Reliance under the Reinsurance Agreements. In the event the Court does not grant the approval sought in the Petition, the Settlement Agreement will become null and void.

14. Keith Kaplan, Executive Vice President for Reinsurance at Reliance, is responsible for all facets of ceded and assumed reinsurance at Reliance, including accounting, billing, claims, commutations, coverage analysis, and dispute management. He has specific knowledge regarding the risks to the Estate of attempting to collect reinsurance through billing, negotiation or the dispute resolution process. As set forth in his Confidential Affidavit (attached as Sealed Exhibit B), Mr. Kaplan has identified several specific advantages to the Estate arising from the consummation of the transactions memorialized in the Settlement Agreement.

15. The Settlement Agreement will further achievement of the liquidation objectives under the Act. The commutation will assist the Liquidator in marshalling and maximizing Reliance's immediately available assets while minimizing any unavoidable loss to policyholders, claimants and creditors resulting from the Reliance insolvency. See 40 P.S. §221.21(1)(c).

(a) First, the Settlement Agreement converts future reinsurance obligations into immediate cash for the Estate. Specifically, the Estate receives a

payment of \$7,044,565 which can be invested until it is distributed.

(b) Second, the Settlement Agreement eliminates both the internal and external administrative costs associated with continued reporting and collection efforts, including legal fees.

(c) Third, the Settlement Agreement eliminates any potential future credit risk associated with collection of the reinsurance proceeds in the event that the Reinsurer becomes insolvent.

(d) Fourth, no person or firm has or will earn any contingent fee or extra remuneration of any type as a direct result of this transaction.

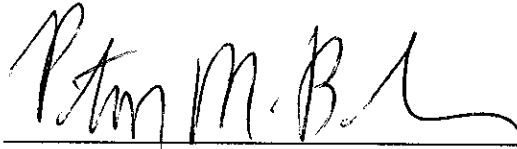
16. Under the terms of the Settlement Agreement, the commutation will be fully consummated upon satisfaction of the following conditions:

- a. approval of the transaction by this Court;
- b. appropriate notice to the Reinsurer of Court approval; and
- c. payment by the Reinsurer of \$7,044,565.

WHEREFORE, the Liquidator respectfully requests that this Court enter an Order in the form attached hereto:

- (a) Finding that the Settlement Agreement and Commutation Amount are in the best interest of the Estate;
- (b) Finding that the Settlement Agreement is a fair and reasonable settlement of the Reinsurer's obligations under the Reinsurance Agreements;
- (c) Finding the payment contemplated by the Settlement Agreement constitutes fair and reasonable value to the Estate; and
- (d) Approving the terms of the Settlement Agreement attached as Exhibit A.

Respectfully submitted,



PRESTON BUCKMAN (I.D. #57570)
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(717) 787-6009

Attorney for Petitioner, Michael F. Consedine,
Insurance Commissioner of the Commonwealth of
Pennsylvania, in his capacity as Statutory Liquidator
of Reliance Insurance Company

Dated: July 3, 2012

VERIFICATION

I, David S. Brietling, Chief Liquidation Officer for Reliance Insurance Company (In Liquidation), am authorized by Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania, pursuant to 40 P.S. §221.23, to act on his behalf in his capacity as the Statutory Liquidator of Reliance Insurance Company. I hereby verify that the facts set forth in the foregoing pleading are true and correct to the best of my knowledge, information and belief.

I understand that this Verification is made subject to the penalties of 18 P.S. §4904 relating to unsworn falsification to authorities.

Executed on July 3, 2012



DAVID S. BRIETLING

CERTIFICATE OF SERVICE

I, Marilyn K. Kincaid, hereby certify that on or about this day, pursuant to the Court's Order of December 12, 2008, service of the foregoing was made on the attached Master Service List through the transmission of a Notice of Filing and through posting of a true and correct copy in PDF file format on the Reliance Documents website at www.reliancedocuments.com.

Dated: July 3, 2012


MARILYN K. KINCAID

Master Service List

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No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

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Company, Federal Home Life Insurance Company,
and GE Life and Annuity Assurance Company) and
National Structured Settlements Trade Association)

EXHIBIT A

COMMUTATION, SETTLEMENT AGREEMENT AND RELEASE

THIS COMMUTATION, SETTLEMENT AGREEMENT AND RELEASE (“Agreement”), made effective and entered into this 22 day of JUNE, 2012, by and between Connecticut General Life Insurance Company (the “Reinsurer”) and Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) (the “Cedant”). David S. Brietling, Chief Liquidation Officer, is acting on behalf of Michael F. Consedine, who is acting on behalf of the Cedant pursuant to the powers granted to him under Title 40, Purdon’s Statutes, Section 221.20 et seq. and other applicable statutes, regulations and laws.

RECITALS

A. The Reinsurer and the Cedant entered into contracts of reinsurance wherein the Reinsurer obligated itself to accept from the Cedant the cession of certain percentages of liabilities with respect to risks written or assumed by the Cedant and/or agents of the Cedant; and

B. The reinsurance contracts referred to in Recital A above are set out on Exhibit A attached hereto and are herein collectively referred to as the “Reinsurance Agreements”; and

C. Pursuant to the Reinsurance Agreements, there are loss developments, the total amount of which are not fully known or not yet capable of determination, representing liabilities which are or may come due from the Reinsurer to the Cedant; and

D. The parties hereto recognize and understand that, based upon current economic projections, a substantial portion of the Reinsurer’s obligations to the Cedant may become payable in the future rather than at present; that the Reinsurer’s future liabilities and obligations to the Cedant pursuant to the Reinsurance Agreements have been evaluated, but cannot be determined in an amount certain at this time; and that a settlement and commutation of the Reinsurer’s obligations to the Cedant based upon present calculations of outstanding losses, including incurred but not reported losses, will eliminate the uncertainty of contingent liabilities

for presently unresolved or unasserted claims; and

E. The Reinsurer and the Cedant agree that it is in each of their best interests and in the best interests of their respective policyholders and creditors to adjust and settle their differences and to enter into this Agreement.

F. The Reinsurer is acting through its agent, Fitzwilliam Insurance Limited, a segregated accounts company incorporated under the laws of the Islands of Bermuda with company number 31768 and registered under the Segregated Accounts Companies Act of 2000 of Bermuda, in respect of its Segregated Account No. 23 ("Agent").

NOW, THEREFORE, in consideration of the mutual benefits to be received by the parties hereto and the mutual covenants and agreements herein contained, the Reinsurer and the Cedant hereby agree as follows:

Commutation of Reinsurance Agreements

1. Subject to the receipt by the Cedant of the Consideration as set out in Article 4 herein, together with any collection expenses and accrued interest due as is more particularly described in Articles 8 (c) and 9 below, and in further consideration of the release contained in Article 2 herein, the Cedant hereby irrevocably releases the Reinsurer, its predecessors, successors, assigns, shareholders, officers, directors, employees, agents, sub-agents, brokers and sub-brokers from One Hundred Percent (100%) of all adjustments, obligations, liabilities, offsets, actions, causes of action, proofs of claim, suits, debts, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, conversions, costs, agreements, promises, damages, expenses, judgment claims, and demands whatsoever, whether known or unknown, suspected or unsuspected, by either or both parties, fixed or contingent, arising out of, or in connection with the Reinsurer's participations on the Reinsurance Agreements, whether or not any of such Reinsurance Agreements are void or voidable. The releases contained herein are only made on behalf of Reliance Insurance Company in its own right and as successor in interest by merger to its former subsidiaries shown on the attached Exhibit C and, without limiting the

generality of the foregoing, specifically do not apply to claims arising from business written by the Canadian Branch of Reliance Insurance Company, Reliance National Insurance Co. (Europe) Limited, Reliance National Asia RE PTE, Ltd. or any other former non-domestic subsidiary that is not part of Reliance Insurance Company as a result of a merger.

Release of the Cedant

2. In consideration of the release set out in Article 1 herein, the Reinsurer hereby irrevocably releases the Cedant, its predecessors, successors, assigns, shareholders, officers, directors, employees, receivers, liquidators, administrators, agents, sub-agents, brokers and sub-brokers from One Hundred Percent (100%) of all adjustments, obligations, liabilities, offsets, actions, causes of action, proofs of claim, suits, debts, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, conversions, costs, agreements, promises, damages, expenses, judgment claims, and demands whatsoever, whether known or unknown, suspected or unsuspected, by either or both parties, fixed or contingent, arising out of, or in connection with the participation of the Cedant on the Reinsurance Agreements, whether or not any of such Reinsurance Agreements are void or voidable.

Warranties

3. To the best information and belief of each of the parties to this Agreement, the following express warranties apply:

a. There are no pending agreements, transactions, negotiations, regulatory actions or lawsuits in which any of the parties are involved nor are there any threatened regulatory actions or lawsuits of which any of the parties are aware that would render this Agreement or any part thereof void, voidable, or unenforceable;

b. No party hereto has transferred, assigned, or contracted to transfer or assign to any person, corporation, company or entity any of its rights, title, benefit or obligations directly arising out of or in connection with the Reinsurance Agreements, including without limitation any

balances, accounts, costs, claims, counterclaims or demands which are within the contemplation of this Agreement; and

c. The Reinsurer has not commuted or otherwise settled with or contracted to commute or settle with any person, corporation, company or entity any of their respective rights, title, benefit or obligations directly arising out of or in connection with the Reinsurance Agreements, including without limitation any balances, accounts, costs, claims, counterclaims or demands which are within the contemplation of this Agreement.

d. The Reinsurer warrants and represents that Agent has full power and authority to act on its behalf with respect to this Agreement and to execute this Agreement on its behalf.

Consideration

4. The Reinsurer agrees to pay the Cedant the total sum of Seven Million Forty Four Thousand Five Hundred and Sixty Five United States Dollars and no cents (US\$7,044,565.00) (the "Consideration"). Said payment shall be made no later than ten (10) business days following notice to the Reinsurer by e-mail of the later of a) the execution of this Agreement by the Cedant or its assignee and b) the approval of the Agreement by the Commonwealth Court of Pennsylvania in accordance with Article 15 herein (the "Completion Date"). Notwithstanding the foregoing, if the ten (10) day period expires on a weekend or a holiday, then the transfer must be completed by the end of the next business day. Reinsurer shall transfer the Consideration to the following account:

Redacted

Redacted

The parties also agree that any claim recoveries including but not limited to salvage and subrogation, any escrow funds with third party claim administrators and any unremitted cash with intermediaries that relate to the Reinsurance Agreements is the property of the Cedant.

Successors and Assigns

5. This Agreement shall inure to the benefit of and bind the Reinsurer and its successors and assigns and the Cedant and its respective successors and assigns.

Independent Investigation

6. Each of the parties acknowledges that it has entered into this Agreement in reliance upon its own independent investigation and analysis of the Reinsurance Agreements and its respective rights and obligations thereunder, and not on the basis of any representation made or not made by the other party hereto. Each of the parties further acknowledges that it has read this Agreement, that it has had the opportunity to discuss it with legal counsel, and that it fully understands all of the terms herein.

Integration and Waiver

7. This Agreement shall constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersedes any and all prior or contemporaneous understandings or agreements. No supplement, modification, waiver or termination hereof shall be binding or enforceable unless executed in writing by the parties to be bound thereby. No delay, omission or forbearance on the part of any party to this Agreement in exercising or

enforcing any right, power or remedy under this Agreement shall impair such right, power or remedy or operate as a waiver thereof. The single or partial exercise or enforcement of such right, power or remedy shall not preclude any other or further exercise or enforcement thereof or of any other right, power or remedy. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

Remedies

8. In the event that the Reinsurer fails to pay the Consideration to the Cedant by the Completion Date, the Cedant shall have all rights and remedies available at law or in equity. In addition, the Cedant shall have the express right to:

a. deem the entire Agreement null and void by notice in writing to the Reinsurer per Article 11 herein and to seek recovery of all sums due or to become due under the Reinsurance Agreements; or

b. bring suit on the Agreement including interest on the agreed-upon but unpaid amount as set out in Article 8(c).

c. Without prejudice to the Cedant's rights to rescind this Agreement pursuant to Article 8(a) above, if Reinsurer does not pay all of the Consideration recited herein to the Cedant by the Completion Date, the Reinsurer shall pay annual interest on any unpaid sums at a rate which is equal to one percentage point (1.00%) over the Prime Rate (the base rate on corporate loans at large U.S. money center commercial banks) as published in *The Wall Street Journal*, but in no event shall said interest be calculated at less than six percent (6%) per annum.

Expenses of Collection

9. Subject to the provisions of Article 8(c) herein, if the Reinsurer fails to pay the Consideration to the Cedant by the Completion Date, Reinsurer agrees to reimburse the Cedant for all reasonable expenses including, without limitation, attorney fees which are incurred by the

Cedant in the enforcement of this Agreement and collection of the Consideration together with any interest accrued upon such reasonable expenses from the date of payment of such expenses at the rate set out in Article 8(c) above.

Choice of Laws

10. The performance and interpretation of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to conflicts of law, with respect to any dispute arising under this Agreement between the Reinsurer and the Cedant.

Notices

11. All notices required under this Agreement shall be as follows:

a. Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by e-mail, by first class post/mail (or by air mail if overseas) or by overnight courier service, to the addresses of the parties as set out in Exhibit B attached hereto or to such other person or address as any party may specify by notice in writing to the others.

b. In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly served: (i) if sent by e-mail, on the same business day as sent when sent during normal business hours at the address set out in Exhibit B; (ii) if sent by first class post, on the second business day after posting; (iii) if sent by overnight courier, on the next business day after mailing; (iv) if sent by air mail, six (6) days after posting; and (v) if delivered personally, on the same business day when left during normal business hours at the address set out in Exhibit B or any alternative address specified by the receiving party.

Interpretation

12. The language of this Agreement is the result of negotiation between all parties hereto, and any ambiguities in said language shall not be presumptively construed against or in

favor of any party or parties hereto.

Execution and Approval

13. Except as disclosed in Article 15, each party to this Agreement represents that it is authorized to enter into this Agreement and the transactions contemplated herein.

14. Except as disclosed in Article 15, each signatory to this Agreement represents that said signatory is authorized and empowered to execute this Agreement and the transactions contemplated herein and that any and all required corporate approval on behalf of the Reinsurer has been properly executed and that the Agreement is entered into voluntarily.

15. With respect to the Cedant, this Agreement is subject to final approval by the Commonwealth Court of Pennsylvania (the "Court"), which has jurisdiction over the liquidation of Cedant. Upon execution by all parties hereto, the Liquidator of Cedant shall promptly make application to the Court to secure said approval. In the event the Court does not approve this Agreement, then upon such notice of disapproval, the Liquidator of Cedant shall notify the Reinsurer and this Agreement will become null and void and have no further force or effect as between the Reinsurer and the Cedant.

16. This Agreement may be signed and exchanged in counterpart by facsimile and this Agreement as so signed and exchanged will constitute the binding Agreement of the parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the dates set forth.

RELIANCE INSURANCE COMPANY (In Liquidation)

By: *David S. Muetley*
Title: Chief Liquidation Officer
Date: *June 22, 2012*

CONNECTICUT GENERAL LIFE INSURANCE COMPANY
by its Agent

By: *A. M. Muehleberg*
Title: *As Agent and Attorney in Fact.*
Date: *June 22, 2012.*

EXHIBIT A

<u>REINS CODE</u>	<u>RELIANCE REF</u>	<u>REINSURER REF</u>	<u>CONTRACT DESCRIPTION</u>	<u>EFFECTIVE DATE</u>
0P45	647JAA	AA-9995107	NATL RISK CONTROL QS OF \$350K	12/1/1996
0P45	746LAA	975593	WORKERS COMP 100% Q.S. OF 500K	6/1/1997
0P45	787LAA	975566	GOFF GROUP 80% Q.S. ALABAMA	6/1/1997
0P45	788LAA	975567	GOFF GROUP 80% Q.S. N.CAROLINA	6/1/1997
0P45	795LAA	AR10616-98	WC 1ST CASUALTY XOL	7/1/1997
0P45	81F6AA	975566	GOFF 80 QS - ALABAMA	7/1/1998
0P45	81F7AA	975567	GOFF 80 QS - NORTH CAROLINA	7/1/1998
0P45	81F8AA	985593	SELF IN GRP QS - BRENTWOOD	7/1/1998
0P45	81F9AA	975593	SELF INS GRP QS-TRM-INTL	6/1/1998
0P45	820WAA	N/A	FLORIDA RESTAURANT INS. SEV.	10/1/1998
0P45	833SAA	0323-02-98	HUMANA WC TO 500K QS	3/1/1998
0P45	850VAA	REL 98-1-2-007	UNICOVR COVER Q/S(HIH & NAICO UNICOVR WHOLEACCT XOL	1/1/1998
0P45	851VAA	NO1300-260	490KX10K	1/1/1998
0P45	88C9AA	975593	BRENTWOOD SELF INS GROUP QS	6/1/1998

<u>REINS CODE</u>	<u>POLICY NUMBER</u>	<u>RECAP NAME</u>	<u>REINSURER REF</u>	<u>INSURED</u>	<u>EFFECTIVE DATE</u>
0P45	NXC0142387	ED3871	ED3871	FLORIDA RESTAURANT OWNERS &	1/1/1998
0P45	NXS0126481	LA0003	T00002J95	LEASE AMERICA, INC.	8/1/1995
0P45	NXC0108691	RV1691	UMI 95-01-0001	MISSISSIPPI TRUCKING ASSOC.	6/1/1995
0P45	NXC0108691	MW1691	UMI 96-01-0001	MISSISSIPPI TRUCKING ASSOC.	6/1/1996
0P45	NXC0108691	KV1691	UMI 97-3-1-001	MISSISSIPPI TRUCKING	6/1/1997
0P45	NXC1274337	KM3373	985598	PRINTING INDUSTRY ASSOCIATION	1/1/1998

Other than as specifically identified in this Agreement, the above does not include pools and associations (whether voluntary or involuntary), self-insurance, risk retention groups or underwriting groups.

EXHIBIT B

For Reliance/The Liquidator

Keith Kaplan
Reliance Insurance Company (In Liquidation)
Three Parkway
Philadelphia, PA 19102
USA
Tel. +1 215-864-4250
Fax + 1 215-864-1077
E-mail: Keith.Kaplan@relianceinsurance.com

For Reinsurer

Duncan McLaughlin
Enstar Group
Avaya House
2 Cathedral Hill
Guildford
Surrey GU2 7YL
UK
Tel +44 1483 452 622
Fax +44 1483 452 644
E-mail: Duncan.McLaughlin@enstargroup.co.uk

EXHIBIT C

Mergers of the former Reliance Insurance Group of companies into Reliance Insurance Company

Company	State of Domicile	Date of Merger
Reliance Insurance Company of Illinois	Illinois	January 1, 2001
Reliance National Indemnity Company	Wisconsin	February 13, 2001
United Pacific Insurance Company	Pennsylvania	February 13, 2001
Reliance Direct Insurance Company	Pennsylvania	February 13, 2001
Reliance Universal Insurance Company	California	February 13, 2001
United Pacific Insurance Company of New York	New York	February 16, 2001
Reliance National Insurance Company	Delaware	March 6, 2001
Reliance Surety Company	Delaware	March 6, 2001
Reliance Lloyds	Texas	April 6, 2001 (Dissolved)

EXHIBIT B

