

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: :
: No. 1 REL 2001
Reliance Insurance Company :
In Liquidation :

*In Re: Application for Approval of Direct Payment of Reinsurance by
EFH Vermont Insurance Company to LSGT Gas Company LLC*

MEMORANDUM and ORDER

AND NOW, this 11th day of August, 2016, upon consideration of the Application for Approval of Direct Payment of Reinsurance by EFH Vermont Insurance Company to LSGT Gas Company LLC (Application), filed by the Insurance Commissioner of the Commonwealth of Pennsylvania in her official capacity as Statutory Liquidator of Reliance Insurance Company (Liquidator), including the Liquidator's representations that: (1) EFH Vermont Insurance Company (Reinsurer) and LSGT Gas Company LLC (Insured) comply with Section 534 of Article V of the Insurance Department Act of 1921,¹ 40 P.S. § 221.34, the "Guidelines for Enforcement of 40 P.S. § 221.34," and the Order of this Court dated April 26, 2002 (approving the Guidelines for direct payment of reinsurance proceeds); (2) Reinsurer has unequivocally assumed Reliance's entire direct coverage obligation to Insured and Insured has consented to Reinsurer's substitution for Reliance; and (3) no person or firm will earn any contingent fee or extra

¹ Act of May 17, 1921, P.L. 789; Section 534 was added by the Act of December 14, 1977, P.L. 280.

remuneration of any type as a result of this transaction, the Court accepts the above representations by the Liquidator and in accordance therewith, GRANTS the Application.

Accordingly, the Court hereby confirms the Liquidator's approval of the direct payment by Reinsurer to Insured and further approves Reinsurer's assumption of a direct coverage obligation to Insured upon the terms set forth in Reinsurer's request and supporting documentation. Finally, the Court approves the direct payment to Insured by Reinsurer in accordance with the direct payment obligations resulting from its assumption.



BONNIE BRIGANCE LEADBETTER,
Senior Judge

Certified from the Record

AUG 11 2016

and Order Exit