

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. Diane Koken,
Insurance Commissioner of the
Commonwealth of Pennsylvania,
Plaintiff

v.

Reliance Insurance Company,
Defendant

No. 269 M.D. 2001

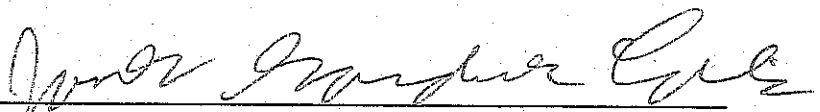
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RECEIVED AND FILED
COMMONWEALTH COURT
OF PENNSYLVANIA

Re: Objection of Christine Golden to Notice of Determination on Proof of
Claim Number 1401240

ORDER

AND NOW, this 8th day of December, 2005, upon consideration of the Proposed Findings and Decision of Referee Seneca filed on November 16, 2005, and the Objection of Christine Golden (the Objector) to the Notice of Determination on Proof of Claim Number 1401240, the Response of the Statutory Liquidator of Reliance Insurance Company (Liquidator) thereto, it is **HEREBY ORDERED** that the Findings and Recommendations of Referee Seneca are accepted and adopted by the Court; the Objection of Christine Golden to the Notice of Determination on Proof of Claim Number 1401240 is **DENIED**.

The Liquidator shall forthwith serve a copy of this Order on all interested parties and notify the Court that service has been completed within seven days of this order.



JAMES GARDNER COLINS, President Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN,
INSURANCE COMMISSIONER OF THE
COMMONWEALTH OF
PENNSYLVANIA,

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: NO. 269 M.D. 2001

Plaintiff,

v.

RELIANCE INSURANCE COMPANY,

Defendant.

RE: Claim of Christine Golden
No. 1401240

FINDINGS OF FACT AND RECOMMENDED DECISION OF THE REFEREE

Background

1. By Amended Order dated February 8, 2005, the undersigned Referee was appointed by this Honorable Court to hear the objection to the Notice of Determination issued by the Liquidator regarding the Claim of Christine Golden at Claim Number 1401240.
2. A telephone conference was conducted with the parties on April 12, 2005, during which the parties agreed that testimony need not be taken in this matter.
3. The parties further stipulated that the Objector, Christine Golden, left the employ of Reliance Insurance Company on January 12, 2001, to take another position.
4. The parties were provided time within which to submit additional documents for review by the Referee.

Findings of Fact

5. On or about March 22, 2005, Objector prepared and subsequently filed a Proof of Claim wherein Objector claimed that she was not offered a severance package during the course of her employ with Reliance Insurance Company while other employees were offered the same.
6. Objector seeks a comparable severance offered to other team leaders and claims personnel who were employed by Reliance Insurance Company.
7. On or about July 15, 2004, the Liquidator assigned a Priority Level (e) to Objector's claim pursuant to Section 544 of the Pennsylvania Insurance Department Act of 1921, 40 P.S. §221.44.
8. On or about November 1, 2004, Objector prepared and filed a letter of appeal in which she objected to the determination by the Liquidator that her claim constituted a Priority Level (e).
9. Objector asserts that her claim should be listed as a Priority Level (a) as compensation for all services rendered by Objector in the liquidation.
10. Objector left the employ of Reliance Insurance Company on January 12, 2001, to take another position.
11. By Order dated May 29, 2001, this Honorable Court placed Reliance Insurance Company into Rehabilitation.

Recommended Decision

It is the recommendation of the Referee that the objection of the Objector be denied and that the Liquidator's assignment of Priority Level (e) to the Objector's Proof of Claim be

affirmed.

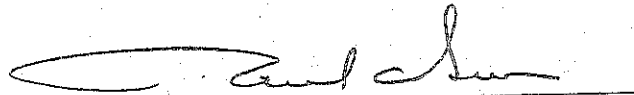
The uncontradicted evidence establishes that the Objector left the employ of Reliance Insurance Company on January 12, 2001, which was prior to the placement by this Honorable Court of Reliance Insurance Company into Rehabilitation on May 29, 2001. As such, the claim by the Objector could not have been within the ambit of Priority Level (a) which provides for services rendered as part of the administration of the affairs of the company as follows:

(a) The costs and expenses of administration, including but not limited to the following; the actual and necessary costs of preserving or recovering the assets of the insurer; compensation for all services rendered in the liquidation; any necessary filing fees; the fees and mileage payable to witnesses; reasonable attorney's fees; the expenses of a guaranty association in handling claims.

40 P.S. §221.44.

Objector's claim for a severance package as a result of her employ with Reliance Insurance Company, when viewed within the context of the priority levels under The Insurance Department Act of 1921, is tantamount to a claim of a general creditor under Priority Level (e). Although Objector's claim is associated with her employment with Reliance Insurance Company it does not constitute a claim for a debt due for services performed for Reliance as Objector does not claim that she has not been paid wages due and owing Objector. Instead, Objector seeks some type of employment severance package. As such, Objector's claim falls within the scope of Priority Level (e) which provides for claims of general creditors.

Respectfully submitted,



Richard C. Seneca, Esquire
Referee