

Liquidation was issued on October 3, 2001. The remaining allegations contained in this paragraph constitute conclusions of law to which no response is required.

5. Admitted.

6. The allegations contained in this paragraph constitute conclusions of law to which no response is required.

7. Reliance lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph and they are, therefore, deemed denied. The document attached to the petition is entitled "Underwriting Management Agreement" and, as a writing, speaks for itself. Any descriptions or characterizations inconsistent therewith are denied.

8. Denied. It is denied that the Quota Share Agreement is attached to the Complaint as Exhibit B. It is admitted that Reliance signed on to 20% of the liabilities under an Accident and Health Quota Share Reinsurance Agreement effective January 1, 1998 between The Doctors' Company and Certain Insurance and/or Reinsurance Companies.

9. The allegations contained in this paragraph constitute conclusions of law to which no response is required. If a response is required, the factual allegations are denied and the responses to paragraphs 10, 11 and 12 below are incorporated herein by reference.

10. Admitted in part; denied in part. It is admitted that TDC filed two proofs of claim, attached as exhibits "C" and "D" to the petition. The proofs of claim are writings which speak for themselves and any characterizations inconsistent therewith are denied. Notices of determination relating to priority have been issued and the amount of the claims is currently being evaluated.

11. Admitted in part; denied in part. It is admitted that the First Quota Share Proof of Claim is attached as exhibit "C" to the petition. The First Quota Share Proof of Claim is a writing which speaks for itself and any characterizations inconsistent therewith are denied. Notices of Determination relating to priority have been issued and the amount of the claim is currently being evaluated.

12. It is admitted that the Second Quota Share Proof of Claim is attached as exhibit "D" to the petition. The Second Quota Share Proof of Claim is a writing which speaks for itself and any characterizations inconsistent therewith are denied. Notices of Determination relating to priority have been issued and the amount of the claim is currently being evaluated.

13. Reliance lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph and they are, therefore, deemed denied.

14. Admitted in part; denied in part. It is admitted that Reliance was a party to the reinsurance agreement attached as exhibit "F" to the petition which is by and between Reliance, on the one hand, and The Doctors' Company and Professional Underwriters Liability Insurance Company, on the other hand. The reinsurance agreement is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

15. The allegations contained in this paragraph constitute conclusions of law to which no response is required. To the extent these allegations are deemed factual, they are denied.

16. Admitted in part; denied in part. It is admitted that Reliance was a party to the reinsurance agreement attached as exhibit "G" to the petition which is by and between Reliance, on the one hand, and The Doctors' Company and Companies now or hereafter

affiliated with The Doctors' Company, on the other hand. The reinsurance agreement is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

17. The allegations contained in this paragraph constitute conclusions of law to which no response is required. To the extent these allegations are deemed factual, they are denied.

18. Admitted in part; denied in part. It is admitted that TDC timely filed two proofs of claim and that they are currently pending. The proofs of claim are writings which speak for themselves and any characterizations inconsistent therewith are denied. Notices of determination relating to priority have been issued and the amount of the claims is currently being evaluated.

19. It is admitted that the First Reinsurance Proof of Claim is attached as exhibit "H" to the petition. The First Reinsurance Proof of Claim is a writing which speaks for itself and any characterizations inconsistent therewith are denied. Its merits and the proper amount, if any, are currently being evaluated. Therefore, after reasonable investigation, Reliance lacks knowledge or information sufficient to form a belief as to the merits of this proof of claim.

20. It is admitted that the Second Reinsurance Proof of Claim is attached as exhibit "I" to the petition. The Second Reinsurance Proof of Claim is a writing which speaks for itself and any characterizations inconsistent therewith are denied. Its merits and proper amount, if any, are currently being evaluated. Therefore, after reasonable investigation, Reliance lacks knowledge or information sufficient to form a belief as to the merits of this proof of claim.

21. Reliance lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph and they are, therefore, deemed denied.

22. The allegations contained in this paragraph constitute conclusions of law to which no response is required. To the extent the allegations are deemed factual in nature, the Directors and Officers Liability and Errors and Omissions Policy, attached as exhibit "K" to the petition, is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

23. Reliance believes and therefore avers that pages are attached to Exhibit K which are not part of the D&O policy.

24. The allegations contained in this paragraph constitute conclusions of law to which no response is required. To the extent that allegations are deemed factual, they are denied.

25. The allegations of this paragraph and its subparts are admitted in part and denied in part. It is admitted that TDC timely filed two proofs of claim, attached as exhibits "L" and "M" to the petition, and that they are currently pending. The proofs of claim are writings which speak for themselves and any characterizations inconsistent therewith are denied. The merits of these claims are being evaluated. Therefore, after reasonable investigation, Reliance lacks knowledge or information sufficient to form a belief as to the merits of the proofs of claim.

26. Admitted in part; denied in part. It is admitted that TDC timely filed a proof of claim, attached as exhibit "N" to the petition, and that it is currently pending. The proof of claim is a writing which speaks for itself and any characterizations inconsistent therewith are denied. The merits of the claim are being evaluated. Therefore, after reasonable investigation, Reliance lacks knowledge or information sufficient to form a belief as to the merits of the proof of claim. The remaining allegations contained in this paragraph constitute conclusions of law to which no response is required.

27. This paragraph purports to summarize TDC's previous allegations. No response to these allegations is required. If a response is required, Reliance incorporates the foregoing paragraphs herein by reference.¹

28. It is admitted that Reliance filed a Complaint in the United States District Court for the District of Hawaii (the "Hawaii action") on March 18, 2002. The Complaint is a pleading which speaks for itself and any characterizations inconsistent therewith are denied.

29. It is admitted that TDC attempted to assert defenses and a counterclaim against Reliance in the Hawaii action. The defenses and counterclaim were rejected by the court.

30. The June 17, 2003 Order of the United States District Court for the District of Hawaii, attached as exhibit "O" to the petition, is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

31. This paragraph purports to summarize the substance of an Order issued by the United States District Court for the District of Hawaii on September 25, 2003, which is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

32. The February 13, 2004 judgment in the Hawaii action attached as exhibit "P" to the petition is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

33. Admitted.

34. Admitted.

35. Admitted.

¹ The allegations in Petitioner's footnote 1 are conclusions of law to which no response is required. If a response is required, Reliance opposes Petitioner's request.

36. Denied. Upon information and belief, the hearing on Reliance's Motion to Satisfy Judgment and to Enforce Supersedeas Bond was originally scheduled to be heard by the United States District Court for the District of Hawaii on January 9, 2006, but has now been continued until April 10, 2006.

FIRST APPLICATION FOR RELIEF: INTERVENTION

37. The foregoing responses are incorporated herein by reference as if set forth herein at length.

38. This paragraph purports to summarize TDC's request for relief. No response to these allegations is required.

39. The applicable Opinions and Orders of the United States District Court for the District of Hawaii and the United States Court of Appeals for the Ninth Circuit, are writings which speak for themselves and any characterizations inconsistent therewith are denied.

WHEREFORE, Reliance respectfully requests that TDC's petition be denied in its entirety.

SECOND APPLICATION FOR RELIEF: RELIEF FROM STAY

40. The foregoing responses are incorporated herein by reference as if set forth herein at length.

41. This Court's Liquidation Order of October 3, 2001, is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

42. The allegations contained in this paragraph constitute conclusions of law to which no response is required.

WHEREFORE, Reliance respectfully requests that TDC's petition be denied in its entirety.

THIRD APPLICATION FOR RELIEF: PRELIMINARY INJUNCTION²

43. The foregoing responses are incorporated herein by reference as if set forth herein at length.

44. It is admitted that Reliance obtained a judgment against TDC in the United States District Court for the District of Hawaii and that TDC has alleged that its claimed setoffs exceed the amount of the Hawaii judgment.

45. This paragraph purports to summarize the substance of an Order issued by the United States District Court for the District of Hawaii, which is a writing which speaks for itself and any characterizations inconsistent therewith are denied.

46. Admitted.

47. Admitted.

48. Admitted.

49. Denied. The hearing on Reliance's Motion to Satisfy Judgment and Enforce Supersedeas Bond was originally scheduled to be heard by the United States District Court for the District of Hawaii on January 9, 2006, but has now been continued until April 10, 2006.

50. This paragraph purports to summarize TDC's request for relief. No response to these allegations is required.

51. The allegations contained in this paragraph constitute conclusions of law to which no response is required.

52. The allegations contained in this paragraph constitute conclusions of law to which no response is required. To the extent the allegations are deemed factual in nature, they

² Petitioner's footnote 2 contains conclusions of law to which no response is required.

are denied. Reliance's execution on the supersedeas bond will not affect TDC's right to setoff, should a court determine that such alleged right to setoff exists.

53. The allegations contained in this paragraph constitute conclusions of law to which no response is required. To the extent the allegations are deemed factual in nature, they are denied.

54. The allegations contained in this paragraph constitute conclusions of law to which no response is required. If the allegations are deemed factual, they are denied. To the contrary, the requested relief deprives Reliance of assets that the Courts have determined belong to Reliance.

WHEREFORE, Reliance respectfully requests that TDC's petition be denied in its entirety.

FOURTH APPLICATION FOR RELIEF: DECLARATORY JUDGMENT

55. The foregoing responses are incorporated herein by reference as if set forth herein at length.

56. The allegations contained in this paragraph constitute conclusions of law to which no response is required.

57. The allegations contained in this paragraph constitute conclusions of law to which no response is required.

58. The merits of TDC's proofs of claim are currently being evaluated. Therefore, Reliance lacks knowledge or information sufficient to form a belief as to the merits of the proof of claims, and therefore, is unable to form a belief as to the truth of this allegation. Therefore this allegation is deemed denied.

59. The allegations contained in this paragraph constitute conclusions of law to which no response is required.

WHEREFORE, Reliance respectfully requests that TDC's petition be denied in its entirety.

FIFTH APPLICATION FOR RELIEF: PERMANENT INJUNCTION

60. The foregoing responses are incorporated herein by reference as if set forth herein at length.

61. The merits of the TDC proofs of claim are currently being evaluated. Therefore, Reliance lacks knowledge or information sufficient to form a belief as to the merits of the proof of claims and this allegation. Therefore this allegation is deemed denied.

WHEREFORE, Reliance respectfully requests that TDC's petition be denied in its entirety.

STATEMENT OF RELIEF SOUGHT

62. This paragraph and its subparts purport to summarize the relief requested by TDC. No response to these allegations is required.

WHEREFORE, Reliance respectfully requests that TDC's petition be denied in its entirety.

NEW MATTER

63. The foregoing responses to the petition are incorporated herein by reference as if set forth herein at length.

64. TDC's claims are barred in whole or in part by the doctrines of estoppel, discharge and waiver.

65. TDC's claims are barred in whole or in part to the extent they are precluded by the applicable statute of limitations and/or the doctrine of laches.

66. TDC's claims for setoff are barred in whole or in part to the extent they are non-mutual.

67. TDC's claims are barred because it has not and will not suffer irreparable harm.

68. TDC has failed to provide information necessary for Reliance to evaluate its proofs of claim.

69. TDC's claims are barred in whole or in part to the extent that TDC failed to timely appeal from the notices of determination issued by Reliance.

70. TDC's claims are barred in whole or in part in that a substantial portion of the proceeds of the Hawaii litigation are subject to claims by Reliance's reinsurers and, therefore, not subject to setoff against TDC's claims.


71. TDC cannot setoff losses which are speculative, contingent or were incurred but not reported.

72. TDC's claims are precluded to the extent that they seek to setoff pre-liquidation amounts against post-liquidation amounts or post-liquidation amounts against pre-liquidation amounts.

73. TDC may not setoff its claims against the attorneys' fees and interest due Reliance from the Hawaii action.

74. TDC's claims for setoff are barred in whole or in part to the extent that they seek to setoff against assets held in trust by Reliance for the benefit of others.

Respectfully submitted,



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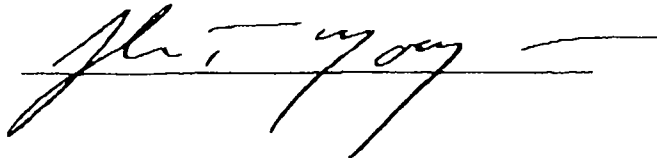
Philadelphia, PA 19103-7098
(215) 564-8000

Attorneys for Respondent,
M. Diane Koken, in her official capacity as
Insurance Commissioner of the Commonwealth of
Pennsylvania, as Statutory Liquidator of
Reliance Insurance Company

Dated: February 15, 2006

VERIFICATION

I, John Mourges, representative of Reliance Insurance Company (In Liquidation), state that the facts set forth in the foregoing are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

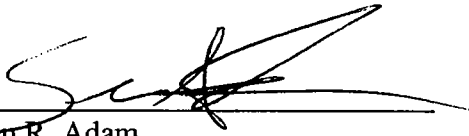
A handwritten signature in cursive script, appearing to read "John Mourges", is written over a horizontal line.

Date: February 14, 2006

CERTIFICATE OF SERVICE

I, Sean R. Adam, hereby certify that on this 15th day of February, 2006, a true and correct copy of the foregoing Opposition to the Petition of the Doctors' Company for Leave to Intervene, for Relief from Stay, to Declare Right of Setoff, and to Enjoin Execution was served via hand delivery upon the following:

Arthur W. Lefco, Esquire
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Counsel for Petitioner


Sean R. Adam