

THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

v.

RELIANCE INSURANCE COMPANY,

Defendant.

Honorable James Gardiner Colins,
President Judge

No. 269 M.D. 2001

Before Referee Byron R. LaVan

201 MAR - 09 PM 3:17
COMMONWEALTH COURT OF PENNSYLVANIA
JAMES GARDINER COLINS, JR.
PRESIDENT JUDGE

IN RE: Objections of Phoenix Assurance PLC, Commercial Union Assurance Company, the British Aviation Insurance Company Ltd., Marine Insurance Company Ltd., and the Yorkshire Insurance Ltd. ("BAIG Companies") to the Liquidator's Denial of A Direct Payment Request

**AFFIDAVIT OF ERIC ROTHSCHILD IN SUPPORT OF
LIQUIDATOR'S MEMORANDUM OF LAW IN SUPPORT OF
HER RESPONSE TO THE BAIG COMPANIES'
MOTION FOR SUMMARY JUDGMENT**

I, Eric Rothschild, am an attorney in good standing and counsel for Plaintiff/Respondent M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator ("Liquidator") of Reliance Insurance Company ("Reliance") (In Liquidation). In support of the Liquidator's Memorandum of Law in Support of her Response to the Motion for Summary Judgment of Phoenix Assurance PLC, Commercial Union Assurance Company, he British Aviation Insurance Company Ltd., Marine Insurance Company Ltd., and the Yorkshire Insurance Ltd. ("BAIG Companies"), I swear and affirm as follows:

1. The statements set forth in the Liquidator's Response to the BAIG Companies' Motion for Summary Judgment and the accompanying Memorandum of Law are based on the information available at this time, and are true and accurate to the best of my knowledge.

2. The Liquidator's Memorandum of Law in Support of the Response to the BAIG Companies' Motion for Summary Judgment is based on the following materials, which are attached hereto:

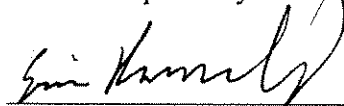
- **Exhibit A** is a true and accurate copy of the Order of Liquidation, dated October 3, 2001.
- **Exhibit B** is a true and accurate copy of the Order and Guidelines, dated April 26, 2002.
- **Exhibit C** is a true and accurate copy of the sworn deposition testimony of Louis E. Nunez, former underwriter at Reliance Insurance Company.
- **Exhibit D** is a true and accurate copy of the sworn deposition testimony of Martin Cox, Underwriter with Global Aerospace Underwriter Managers f/k/a British Aviation Insurance Group ("BAIG").
- **Exhibit E** is a true and accurate copy of the 1955 Declarations for the Aircraft Builders Counsel, Inc.
- **Exhibit F** is a true and accurate copy of the Declaration Placement Slip for Wall Colmonoy, effective June 14, 1997.
- **Exhibit G** is a true and accurate copy of the sworn deposition testimony of David Hardy of Benfield Group f/k/a Crawley Warren & Co. Ltd., London coordinating broker and administrator of the ABC Program.
- **Exhibit H** is a true and accurate copy of the Addendum to Schedule A of the ABC Master Agreement for 1955.
- **Exhibit I** is a true and accurate copy of a letter from David Hardy to Louis Nunez, dated 12 October 1995.
- **Exhibit J** is a true and accurate copy of the letter and Master Policy Slip sent from Crawley Warren & Co. Ltd. to Reliance, dated 18 December 1995.

- **Exhibit K** is a true and accurate copy of the letter and Master Policy Slip sent from Crawley Warren & Co. Ltd. to Reliance, dated 29 November 1996.
- **Exhibit L** is a true and accurate copy of the letter and Master Policy Slip sent from Crawley Warren & Co. Ltd. to Reliance, dated 5 December 1997.
- **Exhibit M** is a true and accurate copy of the letter and Master Policy Slip sent from Crawley Warren & Co. Ltd. to Reliance, dated 30 November 1998.
- **Exhibit N** is a true and accurate copy of the letter and Reinsurance Cover Note No. AJ950006 sent from Crawley Warren & Co. Ltd. to Reliance, dated 21 December 1995.
- **Exhibit O** is a true and accurate copy of the letter and Reinsurance Cover Note No. AJ960006 sent from Crawley Warren & Co. Ltd. to Reliance, dated 13 January 1997.
- **Exhibit P** are true and accurate copies of the letter and Reinsurance Cover Note Nos. AK970006 and AK970010 sent from Crawley Warren & Co. Ltd. to Reliance, dated 19 December 1998.
- **Exhibit Q** is a true and accurate copy of the letter and Reinsurance Cover Note No. AJ980006 sent from Crawley Warren & Co. Ltd. to Reliance, dated 17 February 1999.
- **Exhibit R** is a true and accurate copy of the 1995 Slip for Blade Acquisition Corporation from BAIG's Records.
- **Exhibit S** is a true and accurate copy of a list of the Reliance affected assureds.
- **Exhibit T** is a true and accurate copy of a list of the Reliance affected assureds.
- **Exhibit U** is a true and accurate copy of the letter from David Hardy to Louis Nunez, dated 4 March 2002.
- **Exhibit V** is a true and accurate copy of the letter from Mark Fisher, dated December 17, 2002.
- **Exhibit W** is a true and accurate copy of the Order granting a stay of the cut-through proceedings, dated July 9, 2004.

- **Exhibit X** is a true and accurate copy of the Petition to Approve Guidelines Regarding the Direct Payment of Reinsurance Proceeds Pursuant to 40 P.S. § 221.34.

Respectfully submitted,

By:

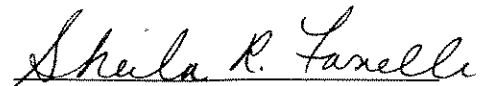


DEBORAH F. COHEN
ERIC ROTHSCHILD
KASSEM L. LUCAS
3000 Two Logan Square
18th and Arch Streets
Philadelphia, PA 19103-2799
215-981-4000

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

Date: March 7, 2006

Sworn to and subscribed before me
this 7th day of March, 2006


Notary Public

