

THE COMMONWEALTH COURT OF PENNSYLVANIA

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

Plaintiff,

v.

RELiance INSURANCE COMPANY,

Defendant.

PALM SPRINGS GENERAL HOSPITAL
and BAPTIST HEALTH SOUTH
FLORIDA, INC.,

Objectors,

v.

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

Respondent.

No. 269 M.D. 2001

Before
JAMES GARDNER COLINS,
President Judge

2006 OCT 12 P 3:04

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OF PA (PHILA)

AMENDED SCHEDULING ORDER

And NOW this _____ day of _____, 2006, upon
agreement of the parties, the Court hereby enters the following Amended Scheduling Order
governing the above-captioned action:

1. All dispositive motions are to be filed within thirty days after this Court rules on the discovery motions currently pending, and any discovery ordered is completed.
2. All responses to dispositive motions are to be filed within thirty days after the filing of dispositive motions.

3. Any replies in opposition to dispositive motions are to be filed within 14 days after the responses to dispositive motions are filed.
4. A hearing before a referee will be scheduled 30 days after ruling on dispositive motions, or should the Court determine to retain the case, a trial date will be set by the Court on or after .

JAMES GARDNER COLINS, President Judge

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JOINT PETITION FOR AMENDED SCHEDULING ORDER

Objectors Palm Springs General Hospital (“Palm Springs”) and Baptist Health South Florida, Inc. (“Baptist”) (collectively “Hospitals”) and Respondent M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania in her official capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) (“Liquidator”), by and through their attorneys, request that the Scheduling Order in this matter be amended. In support of the petition, the parties aver as follows:

1. Palm Springs and Baptist have objected to the Liquidator's denial of a request that American Health Indemnity Company ("AHIC"), a subsidiary of SCPIE that was a reinsurer of certain policies issued by Reliance, be permitted to pay reinsurance proceeds directly to Objectors.

2. Pursuant to a November 23, 2005 Order of the Pennsylvania Supreme Court, the parties have been conducting discovery relating to the issue of whether the Hospitals are entitled to direct access to reinsurance proceeds from AHIC.

3. Under the Court's February 22, 2006 Scheduling Order dispositive motions are to be filed by October 13, 2006.

4. However, three outstanding discovery motions make filing dispositive motion, by October 13, 2006, premature.

5. First, on August 24, 2006, the Hospitals and the Liquidator have petitioned this court for the issuance of a commission and letter rogatory to take the deposition of a few SCPIE employees and/or parties over which SCPIE may have control, as well as the deposition of a corporate designee(s) of SCPIE.

6. Second, on September 6, 2006, the Liquidator petitioned this court to compel Palm Spring to produce a corporate designee for deposition.

7. Third, on October 6, 2006, the Liquidator petitioned this court to compel Baptist to produce a prepared and appropriate corporate designee for deposition.

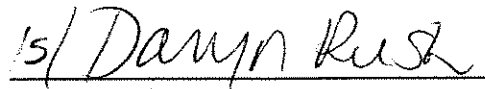
8. To date, the Court has not ruled on these three outstanding discovery motions.

9. Besides the depositions at issue in the outstanding discovery motions, all other discovery in this matter is completed.

10. Based on the documents exchanged between the parties, the documents received from SCPIE, and the theories advanced by the Hospitals in response to the Liquidator's interrogatories for why they are entitled to direct access to reinsurance proceeds from AHIC, the parties believe that the discovery motions should be decided before dispositive motions are filed.

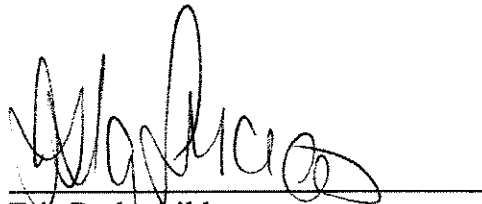
11. In the event any, or all, of the depositions are ordered, dispositive motions should not be filed until after that discovery is completed.

WHEREFORE, the parties respectfully request that this Court issue an Amended Scheduling Order which provides that dispositive motions are not due until at least thirty days after this Court rules on the outstanding discovery motions, and the discovery ordered is completed.



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Attorneys for M. Diane Koken
Insurance Commissioner of the
Commonwealth of Pennsylvania
In Her Official Capacity as
Statutory Liquidator of Reliance
Insurance Company (In Liquidation)

Dated: October 12, 2006

CERTIFICATE OF SERVICE

I hereby certify that on October 12, 2006, a true and correct copy of the foregoing JOINT PETITION FOR AMENDED SCHEDULING ORDER was served upon the following:

Via First Class Mail and Email

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Attorney for Objectors Palm Springs General Hospital
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