

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

Plaintiff,

v.

RELIANCE INSURANCE COMPANY,

Defendant.

DOCKET NO. 269 MD 2001

ORDER

AND NOW, this day of 2007, it is hereby ORDERED:

In accordance with paragraph 10(e) of the Court's September 9, 2002 Order, the Liquidator's Petition to Appoint Referee to Resolve the Dispute Regarding the Objection filed November 8, 2006 by Tektronix, Inc. to the Notice of Determination on Proof of Claim Number 2094794 is GRANTED and a Referee shall be appointed by this Court.

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RECEIVED AND FILED
COMMONWEALTH COURT
OF PA (PHILA)

James Gardner Colins, President Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN
Insurance Commissioner of the
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RELiance INSURANCE COMPANY,

Defendant.

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**THE LIQUIDATOR'S PETITION TO APPOINT A REFEREE TO
RESOLVE THE DISPUTE REGARDING THE OBJECTION TO
THE NOTICE OF DETERMINATION ON PROOF OF CLAIM
NUMBER 2094794 FILED BY TEKTRONIX, INC.**

RECEIVED AND FILED
COMMONWEALTH COURT
OF PA (PHILA)

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Pursuant to paragraph 10(e) of the Court's Order dated September 9, 2002, the Statutory Liquidator of Reliance Insurance Company (In Liquidation) ("Liquidator") hereby petitions this Court to appoint a Referee to resolve the dispute between the parties with regard to the Liquidator's Notice of Determination on Proof of Claim Number 2094794.

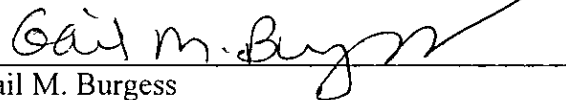
On November 8, 2006, the claimant filed an Objection and the Liquidator filed her Response on December 7, 2006. Copies of the Claimant's Objection and the Liquidator's Response are attached as Exhibits A and B, respectively.

The dispute between the parties involves an issue of coverage under an Ocean Marine Open Cargo policy for a claim involving goods damaged in transit. The Liquidator issued a Notice of Determination assigning the claim class (b) and an allowed amount of zero because coverage is precluded due to the insured's breach of material policy obligations, including the policy's requirement to recondition and attempt to resell the damaged goods. Furthermore, the at-fault party's insurer agreed to pay the cost of repairing the damage, which is the full

of the claim, relieving Reliance of any obligation. The claimant asserts, under the Control of Damaged Goods clause, that it is entitled to the full value of the damaged goods, even though they could have been repaired at a fraction of the full value claimed.

Because the parties are unable to resolve their dispute, the Liquidator respectfully requests that this Court appoint a Referee in accordance with paragraph 10(e) of this Court's September 9, 2002 Order.

Dated: January 9, 2007



Gail M. Burgess
Vice President, Associate General Counsel
Reliance Insurance Company (In Liquidation)
Three Parkway
Philadelphia, PA 19102
Telephone: (215) 864-4210
Facsimile: (215) 864-4141
On behalf of the Statutory Liquidator of
Reliance Insurance Company

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

Plaintiff,

v.

RELiance INSURANCE COMPANY,

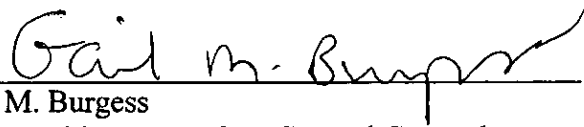
Defendant.

DOCKET NO. 269 MD 2001

CERTIFICATE OF SERVICE

I, Gail M. Burgess, Vice President and Associate General Counsel for Reliance Insurance Company (In Liquidation) ("Reliance"), on behalf of the Statutory Liquidator of Reliance, do hereby certify that this day a true and correct copy of the foregoing Liquidator's Petition to Appoint Referee to Resolve the Dispute regarding Objection to the Notice of Determination on Proof of Claim Number 2094794 filed by Tektronix, Inc. was served on the claimant, Tektronix, Inc., and Charles M. Colella, VP Marine Claims at Marsh, USA, Inc., by U.S. Mail, postage prepaid.

Dated: January 9, 2007


Gail M. Burgess
Vice President, Associate General Counsel
Reliance Insurance Company (In Liquidation)
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