

EXHIBIT B

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

2007 MAY 25 PM 1:53

CLERK

ORDER

AND NOW, this ___ day of _____, 2007, upon consideration of the Petition filed by M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania in her official capacity as Statutory Liquidator of Reliance Insurance Company, and the Supplemental Petition filed by Randolph L. Rohrbaugh, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) ("Liquidator"), the Court finds that Dorinco Reinsurance Company ("Dorinco") and Advanced Environmental Services, LLC ("AES") are in compliance with 40 P.S. § 221.34, the "Guidelines For Enforcement of 40 P.S. § 221.34" and the Order of this Court dated April 26, 2002.

Therefore, in accordance with the Liquidator's recommendation, the Court hereby confirms the approval by the Liquidator and further approves Dorinco's assumption of a direct coverage obligation to AES upon the terms set forth in Dorinco's request and supporting documentation and approves the direct payment to AES by Dorinco in accordance with its direct payment obligations resulting from the assumption. As of May 23, 2007, Dorinco direct payment obligations have not yet resulted in any payments to AES. The best estimate of potential amounts to be paid by Dorinco to AES, as of May 23, 2007, against the policies issued by Reliance to AES is \$1,250,000.

BY THE COURT:

James Gardner Colins, President Judge

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

2007 MAR 25 P 1:36

**SUPPLEMENTAL PETITION FOR APPROVAL OF DIRECT PAYMENT
OF REINSURANCE PROCEEDS PURSUANT TO 40 P.S. § 221.34**

Petitioner, Randolph L. Rohrbaugh, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) ("Liquidator"), respectfully submits this Supplemental Petition in accordance with the Court's Order dated March 8, 2007 (attached as Exhibit A). For purposes of this Petition, "Reliance" will collectively refer to Reliance Insurance Company (In Liquidation) and any of its predecessors in interest or affiliates.

1. On November 8, 2006, M. Diane Koken, former Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Liquidator of Reliance Insurance Company, filed in the Commonwealth Court of Pennsylvania her Petition for Approval of Direct Payment pursuant to 40 P.S. § 221.34 by Dorinco Reinsurance Company ("Dorinco") to Advanced Environmental Services, LLC ("AES") ("Petition"). The Petition and all of the Exhibits attached thereto are incorporated into this Supplemental Petition as if set forth herein.

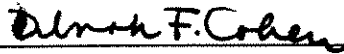
2. In Response to the Petition, on March 8, 2007, the Commonwealth Court Directed the Liquidator to supplement her filing to include the specific dollar amount approved by the Liquidator as a direct payment of reinsurance by Dorinco to AES (n/k/a Veolia Environmental Services). *See* Exhibit A.

3. Pursuant to the Order, the Liquidator submits that, as of May 23, 2007, Dorinco has not made any payments to AES as a result of Dorinco's assumption of a direct coverage obligation to AES. This is supported by the Affidavit of Gregory E. Smith attached to this Supplemental Petition as Exhibit B.

4. The Liquidator's best estimate of potential additional amounts to be paid by Dorinco to AES against the policies issued by Reliance to AES are the loss runs provided by Veolia Environmental Services (f/k/a AES). Analysis of these loss runs indicates that the outstanding exposure under the proposed cut-through agreement is \$1,250,000 as of May 23, 2007. *See* Exhibit B.

Accordingly, Randolph L. Rohrbaugh, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Statutory Liquidator of Reliance Insurance Company, hereby respectfully requests that this Court grant the Petition and enter the Order attached permitting the direct payment of reinsurance proceeds from Dorinco to AES.

Respectfully submitted,



DEBORAH F. COHEN
MICHAEL S. OLSAN
LOUIS J. SCHWARTZBERG
PEPPER HAMILTON LLP
3000 Two Logan Square
18th and Arch Streets
Philadelphia, Pa. 19103-2799

Attorneys for Plaintiff
RANDOLPH L. ROHRBAUGH,
Acting Pennsylvania Insurance Commissioner
as Statutory Liquidator of Reliance Insurance
Company

Dated: May 25, 2007

EXHIBIT A

EXHIBIT B

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN,
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RELiance INSURANCE COMPANY,

Defendant.

No. 269 M.D. 2001

AFFIDAVIT OF GREGORY E. SMITH


Gregory E. Smith being duly sworn, deposes and says:

1. I am legal counsel at Dorinco Reinsurance Company and I have acted in this capacity since August 2000.
2. I make this Affidavit in support of the Supplemental Petition for Approval of Direct Payment of Reinsurance Proceeds Pursuant to 40 P.S. §221.34 by Dorinco Reinsurance Company ("Dorinco") to Advanced Environmental Services, LLC ("AES") (n/k/a Veolia Environmental Services). I have personal knowledge of the facts and circumstances set forth herein.
3. I have personal knowledge about the business that Reliance Insurance Company (in Liquidation) ("Reliance") reinsured through Westbridge Insurance Limited which was later novated to Dorinco as it relates to the losses paid post-liquidation by Dorinco as direct reinsurance payments to claimants under the policies issued by Reliance to AES.

4. I have reviewed the Loss Runs prepared by Veolia Environmental Services (f/k/a AES) that relate to the Reliance policy reinsured through Dorinco. Based on those Loss Runs, I have confirmed that, as of May 23, 2007 Dorinco has not made any reinsurance payments directly to AES.

5. The best estimates of potential additional amounts to be paid directly by Dorinco to AES are the loss runs provided by Veolia Environmental Services. Through analysis of these loss runs and with consideration of liability limits of the reinsurance agreement, Dorinco views its outstanding exposure under the proposed cut-through agreement to be \$1,250,000 as of May 23, 2007.

I declare under penalty of perjury that the foregoing is true and correct.



Gregory E. Smith

Sworn to and subscribed
before me this 23 day
of May, 2007.



Notary Public


NELDA J. JOHNSON
Notary Public, State of MI
County of Midland
My Commission Expires 08-24-2010

VERIFICATION

I, Mark J. Fisher, verify that I am Deputy General Counsel of Reliance Insurance Company (In Liquidation), a party to this action, and I am duly authorized to make this Verification for and on behalf of Randolph L. Rohrbaugh, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator ("Liquidator") of Reliance Insurance Company. I have read the Supplemental Petition for Approval of Direct Payment of Reinsurance Proceeds Pursuant to 40 P.S. § 221.34 by Dorinco Reinsurance Company to Advanced Environmental Services, LLC and verify that the matters stated therein are true and correct to the best of my knowledge, information and belief.

I understand that this Verification is made subject to the penalties of 18 Pa. C. S. § 4904 relating to unsworn falsification to authorities.

Executed on May 15, 2007.



Mark J. Fisher

CERTIFICATE OF SERVICE

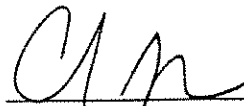
I hereby certify that on May 25, 2007, true and correct copies of the Supplemental Petition for Approval of Direct Payment pursuant to 40 P.S. § 221.34 by Dorinco Reinsurance Company to Advanced Environmental Services, LLC by Petitioner Randolph L. Rohrbaugh, Acting Insurance Commissioner of Pennsylvania, in his official capacity as Statutory Liquidator of Reliance Insurance Company, Proposed Order and Verification were served upon the following:

Via Electronic Mail and Regular U.S. Mail

Stephen W. Schwab, Esquire
DLA Piper Rudnick Gray Cary US LLP
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601-1293

Via Notice of Filing

Members of Reliance Master Service List



CHRISTOPHER J. LOWE

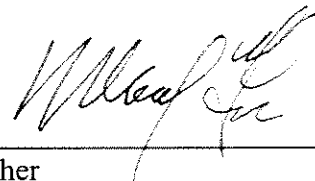
Legion Cessions Program		Westport Facility		Legion ID No.		Contract No.		Effective Date		Type		Layer	
SRL&HA Treaty No.	Slip Ref. No.	Placement	Legion ID No.	Contract No.	Effective Date	Type	Layer						
9550011	A20705.94		94SC13	94/x/140(B)	10/1/1994	First Layer Specific	\$4.9 M xs \$100,000						To \$5M
9550011	A20705.94		94YC16	94/x/140(B)	10/1/1994	Specific Buffer	\$1.25M xs AAP						To \$2.5M
9550012	A20706.94		94AC64	94/x/141(B)	10/1/1994	First Layer Agg	\$1.25M xs AAP						To \$2.5M
9550012	A20706.94		94ZC66	94/x/141(B)	10/1/1994	Aggregate Buffer	\$1.25M xs AAP						To \$2.5M
9550013	A20707.94		94AC64	94/x/142(B)	10/1/1994	Second Layer Agg	\$4.9M xs \$100,000 Min						To \$5M
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9550651	A20706.95		9516	NW001400I	10/1/1995	Specific Buffer	\$2.5M xs AAP						To \$2.5M
9550653	A20706.95		9564	NW001410I	10/1/1995	First Layer Agg	\$2.5M xs AAP						To \$2.5M
9550653	A20706.95		9566	NW001410I	10/1/1995	Aggregate Buffer	\$2.5M xs AAP						To \$2.5M
9550554	A20706.95		9563	NW011160I	10/1/1995	Third Layer Agg	\$2.5M xs \$2.5M xs AAP						To \$5M
9550351	A20871.96A		9614	NX012090J	10/1/1996	Second Layer Specific	\$4M xs \$1M xs Min						To \$5M
9650351	A20947.96A		9617	NX012090J	10/1/1996	Second Specific Buffer	\$1.25M xs \$1.25M xs AAP						To \$5M
9650351	A20947.96B		9665	NX012090J	10/1/1996	Second Layer Agg	\$2.5M xs \$2.5M xs AAP						To \$5M
9650352	A20871.96		9663	NW011160K	10/1/1997	Third Layer Agg	\$2.5M xs \$2.5M xs AAP						To \$5M
9750208	A20871.97		9763	NW011160K	10/1/1997	Third Layer Agg	\$2.5M xs \$2.5M xs AAP						To \$5M

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EXHIBIT C

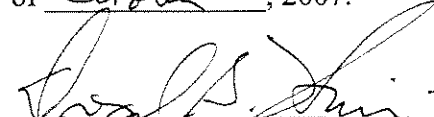
Committee and I provide a recommendation to the Committee. As part of these duties, I have reviewed all documents filed in support of the Liquidator's petitions in this matter. I also deal with outside counsel, Pepper Hamilton LLP, with respect to the filing of the Petitions for Approval of the cut-throughs that are submitted to the Commonwealth Court.

4. Based on personal knowledge, I know that no person or firm has earned or will earn any contingent fee or extra remuneration of any type from Reliance as a result of this transaction.



Mark Fisher

Sworn to and subscribed
before me this 7th day
of October, 2007.


Notary Public

DREXEL B. HARRIS
Notary Public, State of New York
No. 02HA4868510
Qualified in Queens County
Certificate Filed in New York County
Commission Expires July 28, 2020

EXHIBIT D

4. I have reviewed the Loss Runs prepared by Veolia Environmental Services (f/k/a AES) that relate to the Reliance policy reinsured through Dorinco. Based on those Loss Runs, I have confirmed that, as of October 18, 2007 Dorinco has not made any reinsurance payments directly to AES.

5. The best estimates of potential additional amounts to be paid directly by Dorinco to AES are the loss runs provided by Veolia Environmental Services. Through analysis of these loss runs and with consideration of liability limits of the reinsurance agreement, Dorinco views its outstanding exposure under the proposed cut-through agreement to be \$1,250,000 as of October 18, 2007.

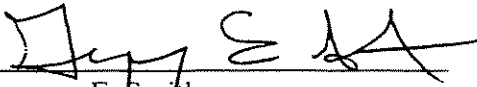
6. Dorinco's views of its outstanding exposure under the proposed cut-through agreement are predicated upon a review of all open claims and open loss runs related to the business that Reliance reinsured through Dorinco. It is not possible to provide an exact dollar amount for future exposure owing to the fact that claims may develop in the future and there is no way of predicting, with certainty, the exact dollar amount of these claims.

7. Based on personal knowledge, I know that no person or firm has earned or will earn any contingent fee or extra remuneration of any type from Dorinco as a result of this transaction.

8. I base this opinion on my personal knowledge of the business reinsured here,

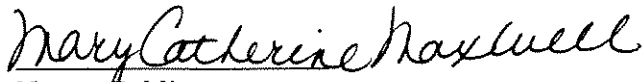
my analysis of the loss runs, and from communications with Sean McDaniel, Director of Claims Management at Veolia Environmental Services.

I declare under penalty of perjury that the foregoing is true and correct.



Gregory E. Smith

Sworn to and subscribed
before me this 18TH day
of OCTOBER, 2007.



Notary Public

