

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Joel S. Ario, :
Insurance Commissioner of the :
Commonwealth of Pennsylvania, :
Plaintiff :

v. : No. 269 M.D. 2001

Reliance Insurance Company, :
Defendant :

***In Re Second Petition for Partial Release of Consolidated Freightways
Collateral to Fund GA Paid Claims and Reliance Retrospective Premium***

ORDER

AND NOW, this 18th day of July, 2008, upon consideration of the Liquidator's Second Petition for Partial Release of Consolidated Freightways (CF) Collateral to Fund GA Paid Claims and Reliance Retrospective Premium, there being no objections to said Petition, and the Petition being in accord with the Amended Settlement Agreement signed February 12, 2008, between the trustee for Certain Creditors of Consolidated Freightways Corporation (K. Morgan Enterprises, Inc.) and the Statutory Liquidator of Reliance Insurance Company and the Petition being in accord with this court's order of October 4, 2006, approving a Plan for Allocation of Policyholder Collateral of Consolidated Freightways Corporation pursuant to Section 523.1 of the Act of May 17, 1921, P.L. 789, as amended, added by the Act of June 28, 2004, P.L. 443, 40 P.S. § 221.23a, the Petition is Granted.

This Court hereby approves the release of \$7,552,981.00 from the CF Collateral for reimbursement by the Liquidator of payments made by Guaranty Associations from January 1, 2006 through September 30, 2007, as set forth in more detail in Attachment A.

This Court hereby further approves the release of \$58,147.00 from the CF Collateral to pay Reliance for retrospective premium obligations from January 1, 2006 through September 30, 2007.

This Court further approves the release of \$1,087,365.00 from the CF Collateral to compensate Reliance, pursuant to Section 523.1 (i)(1), 40 P.S. § 221.23a.(i)(1), for expenses incurred in administering the Collateral and for reimbursing the Guaranty Associations in the total amount to date of \$38,041,346.00 (\$30,254,461.00 reimbursed pursuant to this Court's order of October 4, 2006 and \$7,552,981.00 reimbursed pursuant to the instant order).

And further, the Liquidator shall serve a copy of this order on counsel for the Trustee in the Bankruptcy of Consolidated Freightways Corporation, shall provide all listed on the Master Service List with a notice of filing and shall post a true and correct copy in PDF format on the Reliance Documents website (www.reliancedocuments.com).


BONNIE BRIGANCE LEADBETTER,
President Judge

Certified from the Record

JUL 21 2008

and Order ~~File~~

Dkt. No. 269 M.D. 2001

ATTACHMENT "A"

In Re Second Petition for Partial Release of Consolidated Freightways
Collateral to Fund GA Paid Claims and Reliance Retrospective Premium

Consolidated Freightways, Inc. 01/01/06 thru 09/30/2007:
Large Deductibles

GA State	Total Collateral Draws for WC GA Palds 1/1/06 thru 9/30/07 To Be Distributed	Total Collateral Draws for ALGL Palds 1/1/06 thru 9/30/07 To Be Distributed
Alabama	\$1,109.41	
Alaska	-\$593.65	
Arizona	\$0.00	
Arkansas	\$0.00	
California	\$2,733,950.37	\$2,533.24
Colorado	\$8,356.55	
Connecticut	\$166,415.68	
Florida	\$572,286.56	
Georgia	-\$17,380.01	
Hawaii	\$0.00	
Illinois	\$227,961.76	
Indiana	\$16,319.57	
Iowa	\$67,445.62	
Kansas	\$72,137.09	
Kentucky	\$5,974.68	
Louisiana	\$3,474.19	
Maine	-\$0.04	
Maryland	\$15,477.14	
Massachusetts	\$0.00	
Michigan	\$234,263.34	
Minnesota	\$84,180.18	
Mississippi	\$22,148.21	
Missouri	-\$20,301.21	
Montana	\$91,649.30	
Nebraska	\$27,563.99	
New Jersey	\$220,783.30	
New York	\$859,230.04	
North Carolina	\$165,790.87	
Oklahoma	\$4,480.23	
Oregon	\$0.00	
Pennsylvania	\$775,881.41	
Rhode Island	\$0.00	
South Carolina	-\$9,698.53	
Tennessee	\$299,900.57	
Texas	\$199,418.08	\$305,814.04
Utah	\$237,105.73	
Vermont	\$0.00	
Virginia	\$180,284.80	
Wisconsin	\$0.00	
Grand Total	\$7,244,634.24	\$308,347.29

Attachment A - 2d petition for release of CF collateral