

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL S. ARIO,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

v.

RELIANCE INSURANCE COMPANY,

Defendant.

No. 269 M.D. 2001

In Re: Underwriting Members of Syndicates 79, 456, 1215, 2999, 47, 204, 219, 484, 858, 2488, 435, 623, 2623, 839, 1007, 1212, 376, 1096, 205, 250 and 1173, ZURICH RE (UK) LTD., and ST. PAUL REINSURANCE COMPANY LIMITED (n/k/a UNIONAMERICA INSURANCE COMPANY LIMITED)

ORDER

AND NOW, this _____ day of _____, _____, upon consideration of the Joint Motion to Dismiss the Request for Declaratory Judgment of Underwriting Members of Lloyd's of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), With Prejudice, and to Dismiss the Request for Declaratory Judgment and Counterclaims of Joel S. Ario, Insurance Commissioner of the Commonwealth of Pennsylvania in his Official Capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) ("Liquidator") Against Underwriting Members of Lloyd's of London Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), With Prejudice, it is hereby ORDERED and DECREED that:

1. The Joint Motion to Dismiss the Request for Declaratory Judgment of Underwriting Members of Lloyd's of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), With Prejudice, and to Dismiss the Liquidator's Request for Declaratory Judgment and Counterclaims Against Underwriting Members of Lloyd's of London Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), With Prejudice, is hereby GRANTED.
2. Because this Order resolves all remaining claims involved in the matter involving Underwriting Members of Syndicates 79, 456, 1215, 2999, 47, 204, 219, 484, 858, 2488, 435, 623, 2623, 839, 1007, 1212, 376, 1096, 205, 250 and 1173, Zurich RE (UK) Ltd., and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), the lawsuit involving these parties is hereby DISMISSED, with prejudice, and each party shall bear their own fees and costs.

J.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL S. ARIO,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

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RELIANCE INSURANCE COMPANY,

Defendant.

No. 269 M.D. 2001

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JOINT MOTION TO DISMISS THE REQUEST FOR DECLARATORY JUDGMENT OF UNDERWRITING MEMBERS OF LLOYD’S OF LONDON SYNDICATES 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and ST. PAUL REINSURANCE COMPANY LIMITED (n/k/a UNIONAMERICA INSURANCE COMPANY LIMITED) WITH PREJUDICE, AND TO DISMISS THE REQUEST FOR DECLARATORY JUDGMENT AND COUNTERCLAIMS OF JOEL S. ARIO, INSURANCE COMMISSIONER OF THE COMMONWEALTH OF PENNSYLVANIA, IN HIS OFFICIAL CAPACITY AS STATUTORY LIQUIDATOR OF RELIANCE INSURANCE COMPANY (IN LIQUIDATION) AGAINST UNDERWRITING MEMBERS OF LLOYD’S OF LONDON SYNDICATES 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, AND ST. PAUL REINSURANCE COMPANY LIMITED (n/k/a UNIONAMERICA INSURANCE COMPANY LIMITED), WITH PREJUDICE, AND TO DISMISS THE LAWSUIT IN ITS ENTIRETY

Underwriting Members of Lloyd’s of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) and Joel S. Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his Official Capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) (“Liquidator”) file this Joint Motion to Dismiss, with prejudice, the Request for Declaratory Judgment of these Syndicates and St.

Paul Reinsurance Company Limited, and to Dismiss the Request for Declaratory Judgment and Counterclaims of the Liquidator against Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), (hereinafter "The Lawsuit") With Prejudice, and to dismiss The Lawsuit in its entirety and, in support thereof, state as follows:

1. On August 26, 2008, pursuant to an Order entered by this Court granting the Petition to Intervene, for relief from the Stay and for Leave to File a Declaratory Judgment Action, a Declaratory Judgment Action was filed against Joel S. Ario, then-Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his Official Capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) and Reliance Insurance Company (collectively "Reliance") on behalf of named Petitioners Underwriting Members of Lloyd's of London Syndicates 79, 456, 1215, 2999, 47, 204, 219, 484, 858, 2488, 435, 623, 2623, 839, 1007, 1212, 376, 1038, 1207, 1096, 205, 250, 1173, Zurich Re (UK) Ltd. and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited).

2. On September 17, 2008, Syndicates 1038 and 1207 filed an unopposed motion to withdraw their claims which was granted by this Court on October 23, 2008.

3. On September 24, 2008, the Liquidator filed his Answer, New Matter, Request for Declaratory Judgment and Counterclaims against Underwriting Members of Lloyd's of London Syndicates 79, 456, 47, 204, 219, 484, 435, 623, 839, 1007, 1212, 1096, 205, 250, Zurich Re (UK) Ltd. and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) (collectively, "Counterclaim Defendants").

4. On October 14, 2008, the Counterclaim Defendants filed Preliminary Objections to New Matter and to some of the counterclaims.

5. On November 6, 2008, the Liquidator filed his Amended Answer, New Matter, Request for Declaratory Judgment and Counterclaims against Counterclaim Defendants.

6. On November 24, 2008, the Counterclaim Defendants filed an Answer to the Amended New Matter and filed Second Preliminary Objections to the Request for Declaratory Judgment and to some of the Amended Counterclaims.

7. On December 15, 2008, the Liquidator filed a Response in Opposition to Counterclaim Defendants' Preliminary Objections to the Amended Counterclaims.

8. The Preliminary Objections to the Amended Counterclaims currently are pending before this Court.

9. Subsequently, the claims made by Syndicates 1212, 1007, and Zurich Re (UK) against the Liquidator and the claims made by the Liquidator against Syndicates 1212, 1007, and Zurich were settled and/or resolved and, on April 6, 2009, pursuant to a Joint Motion to Dismiss filed on behalf of all parties, this Court dismissed with prejudice the claims involving these entities.

10. The Declaratory Judgment Action of Underwriting Members of Lloyd's of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) and the Liquidator's Request for Declaratory Judgment and Counterclaims against the Counterclaim Defendants have now been settled and/or resolved.

11. A Joint Stipulation of Counsel which confirms the settlement and/or resolution of the claims of Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), and the Liquidator's counterclaims and which seeks dismissal of all the claims and counterclaims, with prejudice, is attached to this Motion as Exhibit "A".

12. Under the Joint Stipulation of Counsel, the parties further expressly agree that, to the extent any of the parties have contractual obligations under treaties and/or contracts that are not at issue in this case, the parties expressly reserve, and do not waive, all their rights with respect to those other treaties and/or contracts.

13. This resolution of the claims and counterclaims involved in this Motion settles and/or resolves all claims in the Request for Declaratory Judgment filed on behalf of Underwriting Members of Syndicates 79, 456, 1215, 2999, 47, 204, 219, 484, 858, 2488, 435, 623, 2623, 839, 1007, 1212, 376, 1096, 205, 250 and 1173, Zurich RE (UK) Ltd., and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), and the Request for Declaratory Judgment and all counterclaims filed by the Liquidator and, therefore, The Lawsuit should be dismissed in its entirety, with prejudice.

WHEREFORE, Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) and the Liquidator respectfully request that this

Court grant their Joint Motion to Dismiss The Lawsuit With Prejudice. An appropriate Order is attached.

Dated: 12/22/2009

PEPPER HAMILTON LLP

By: 

Joann Hyle
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Attorney for Defendant/Counterclaim
Plaintiff Joel S. Ario, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in his Official Capacity as
Statutory Liquidator of Reliance Insurance
Company (In Liquidation)

Dated: 12/23/09

PALMER BIEZUP & HENDERSON LLP

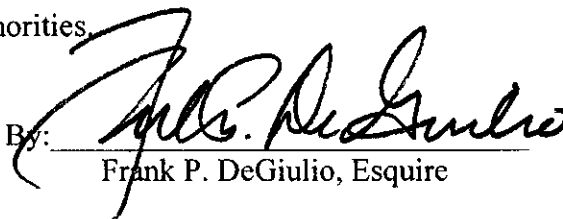
By: 

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Defendants

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Attorney for Plaintiffs/Counterclaim Defendants

VERIFICATION

I, Frank P. DeGiulio, Esquire, of the firm Palmer Biezup & Henderson LLP, hereby verify that the Statements made in the foregoing Joint Motion To Dismiss The Request For Declaratory Judgment Of Underwriting Members Of Lloyd's Of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 And St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) With Prejudice, And To Dismiss The Request for Declaratory Judgment and Counterclaims Of Joel S. Ario, Insurance Commissioner Of The Commonwealth Of Pennsylvania, In His Official Capacity As Statutory Liquidator Of Reliance Insurance Company (In Liquidation) Against Underwriting Members Of Lloyd's Of London Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, And St. Paul Reinsurance Company Limited (N/K/A Unionamerica Insurance Company Limited), With Prejudice, And To Dismiss The Lawsuit In Its Entirety, are true and correct to the best of my knowledge, information and belief. The undersigned understands that the statements therein are made subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn falsification to authorities.

By: 
Frank P. DeGiulio, Esquire

Dated: 12/23, 2009

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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Insurance Commissioner of the :
Commonwealth of Pennsylvania, :
Plaintiff, :
v. : No. 269 M.D. 2001
RELIANCE INSURANCE COMPANY, :
Defendant. :

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JOINT STIPULATION TO DISMISS THE REQUEST FOR DECLARATORY JUDGMENT OF UNDERWRITING MEMBERS OF LLOYD'S OF LONDON SYNDICATES 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and ST. PAUL REINSURANCE COMPANY LIMITED (n/k/a UNIONAMERICA INSURANCE COMPANY LIMITED) WITH PREJUDICE, AND TO DISMISS THE REQUEST FOR DECLARATORY JUDGMENT AND COUNTERCLAIMS OF JOEL S. ARIO, INSURANCE COMMISSIONER OF THE COMMONWEALTH OF PENNSYLVANIA, IN HIS OFFICIAL CAPACITY AS STATUTORY LIQUIDATOR OF RELIANCE INSURANCE COMPANY (IN LIQUIDATION) AGAINST UNDERWRITING MEMBERS OF LLOYD'S OF LONDON SYNDICATES 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, AND ST. PAUL REINSURANCE COMPANY LIMITED (n/k/a UNIONAMERICA INSURANCE COMPANY LIMITED), WITH PREJUDICE, AND TO DISMISS THE LAWSUIT IN ITS ENTIRETY

The parties to the Joint Motion to Dismiss the Request for Declaratory Judgment of Underwriting Members of Lloyd's of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) With Prejudice, and to Dismiss the Request for Declaratory Judgment and Counterclaims of Joel S. Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his Official Capacity as Statutory Liquidator of Reliance Insurance Company (In Liquidation) ("the Liquidator") Against Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, and St. Paul Reinsurance Company Limited (n/k/a

Unionamerica Insurance Company Limited) With Prejudice and to Dismiss the Lawsuit in its Entirety, by and through their undersigned counsel, hereby stipulate as follows:

By virtue of the settlements and/or agreements to resolve the claims and counterclaims between Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) and the Liquidator, Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) request dismissal with prejudice of the Claims for Declaratory Judgment filed on their behalf, and the Liquidator requests dismissal with prejudice of his Request for Declaratory Judgment and Counterclaims against Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), with each party to bear its own fees and costs.

It is further agreed that, because this Stipulation resolves all remaining claims between Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 and St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) and the Liquidator, The Lawsuit should be dismissed in its entirety.

It is further expressly agreed that, to the extent any of the parties have contractual obligations under treaties and/or contracts that are not at issue in this case, the parties expressly reserve, and do not waive, all their rights with respect to those other treaties and/or contracts.

PEPPER HAMILTON LLP

Dated: 12/22/2009

By: 

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(215) 981-4750
Attorney for Defendant/Counterclaim
Plaintiff Joel S. Ario, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in his Official Capacity as
Statutory Liquidator of Reliance Insurance
Company (In Liquidation)

PALMER BIEZUP & HENDERSON LLP

Dated: 12/23

By: 

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Of counsel
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Attorney for Plaintiffs/Counterclaim
Defendants

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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v.	:	No. 269 M.D. 2001
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RELIANCE INSURANCE COMPANY,	:	
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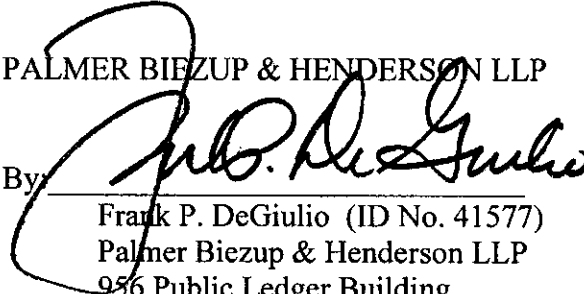
AFFIDAVIT OF SERVICE

The undersigned hereby certifies that service of a true and correct copy of the attached Joint Motion To Dismiss The Request For Declaratory Judgment Of Underwriting Members Of Lloyd's Of London Syndicates 47, 79, 204, 205, 219, 250, 376, 435, 456, 484, 623, 839, 858, 1096, 1173, 1215, 2999, 2488, 2623 And St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited) With Prejudice, And To Dismiss The Request for Declaratory Judgment and Counterclaims Of Joel S. Ario, Insurance Commissioner Of The Commonwealth Of Pennsylvania, In His Official Capacity As Statutory Liquidator Of Reliance Insurance Company (In Liquidation) Against Underwriting Members Of Lloyd's Of London Syndicates 47, 79, 204, 205, 219, 250, 435, 456, 484, 623, 839, 1096, And St. Paul Reinsurance Company Limited (n/k/a Unionamerica Insurance Company Limited), With Prejudice, And To

Dismiss The Lawsuit In Its Entirety was served on all counsel on the master service list via first class mail on 12/23, 2009.

PALMER BIEZUP & HENDERSON LLP

By



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