

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

**LIQUIDATOR'S RESPONSE TO OBJECTION OF
MASSACHUSETTS INSURERS INSOLVENCY FUND TO
LIQUIDATOR'S PETITION FOR SECOND INTERIM DISTRIBUTION**

2010 MAR 18 P 2:18

RECEIVED AND FILED
COMMONWEALTH COURT
OF PA (PHILA)

Petitioner, Joel S. Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator ("Liquidator") of Reliance Insurance Company ("Reliance" or "Estate"), hereby submits his Response, with attached proposed Amended Order, to the Objection of the Massachusetts Insurers Insolvency Fund ("MA Fund") to the Liquidator's Petition for Second Interim Distribution.

1. On December 29, 2009, the Liquidator filed his Petition for Second Interim Distribution (the "Petition").
2. On February 19, 2010, this Court granted the MA Fund an extension of time to submit papers in support of its objection to the Petition and, by separate Order, granted in part and denied in part the Petition. The Court's February 19, 2010 Order denied the Petition only insofar as it sought to bar any future distribution from the Estate to the MA Fund as an Ineligible

Claimant, and provided that the Court's approval of distribution to Eligible Claimants was without prejudice to the MA Fund's right to pursue its objection.

3. On February 26, 2010, the MA Fund filed its objection to the Petition. The MA Fund did not object to the Petition to the extent that the Petition sought an order barring the MA Fund from receiving distributions from the Estate with respect to workers' compensation claims paid by the MA Fund, but the MA Fund requested an order confirming that the MA Fund is entitled to recover distributions from the Estate with respect to its payment of non-workers' compensation claims.

4. In response to the MA Fund's request, and for clarity of the record, the Liquidator respectfully requests that the Court enter an Amended Order, in the proposed form attached hereto, granting the Petition.

Respectfully submitted:

BLANK ROME LLP

By:



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official capacity as Liquidator of
Reliance Insurance Company

Dated: March 18, 2010

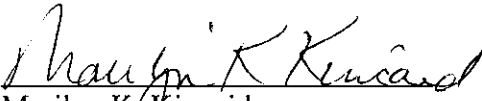
CERTIFICATE OF SERVICE

I, Marilyn K. Kincaid, hereby certify that on or about this day, pursuant to the Court's Order of April 1, 2004 and December 12, 2008, service of the foregoing Petition was provided through the transmission of a Notice of Filing and through posting of a true and correct copy in PDF file format on the Reliance Documents website (www.reliancedocuments.com) to:

The attached Master Service List

Attorney for the Massachusetts Insurers Insolvency Fund
Joseph Tanski
Nixon Peabody LLP
100 Summer Street
Boston, MA 02110

Dated: March 18, 2010


Marilyn K. Kincaid

Master Service List

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v.

Reliance Insurance Company

No. 269 M.D. 2001 (Commonwealth Court of Pennsylvania)

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