

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN	:	
Insurance Commissioner of the	:	
Commonwealth of Pennsylvania,	:	
	:	
Plaintiff,	:	
	:	
v.	:	DOCKET NO. 269 MD 2001
	:	
RELIANCE INSURANCE COMPANY,	:	
	:	
Defendant.	:	

**PETITION FOR LEAVE TO FILE
EXHIBIT UNDER SEAL**

Petitioner M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”), in her capacity as Liquidator of Reliance Insurance Company (“Liquidator”), respectfully requests that this Court grant the Liquidator leave to file an exhibit to the Liquidator’s Petition to Approve Settlement In The AHERF Litigation Pertaining To Pending And Potential Claims Against Reliance (the “AHERF Petition”) under seal, and enter an Order directing the Prothonotary of the Commonwealth to file the exhibit, to be named “Sealed Exhibit B,” under seal.

In support of this Petition, the Liquidator avers the following:

1. On October 3, 2001, this Court entered an Order of Liquidation placing Reliance Insurance Company (“Reliance”) in liquidation under the provisions of the Insurance Department Act of 1921 (the “Act”), 40 P.S. § 221.1 et seq., and appointing the Commissioner Liquidator of Reliance, with all of the powers vested in that office under the Act. See Order of Liquidation (filed Oct. 3, 2001).

2. Preserving the confidentiality of the information in the sealed exhibit to the AHERF Petition will serve important governmental interests, including facilitating the Commissioner's efforts to discharge her duties as Liquidator while "protect[ing] . . . the interests of insureds, creditors and the public generally . . ." 40 P.S. § 221.1(c); see 40 P.S. § 221.23.

3. Good cause exists, supporting the Liquidator's request to file the sealed exhibit to the AHERF Petition under seal. The sealed exhibit contains information that is confidential and sensitive to other parties to the AHERF settlement which, if disclosed to the public at this time, would violate the terms of the AHERF settlement and may hamper and prejudice the parties efforts to resolve the AHERF litigation and the Liquidator's efforts to reduce the liability of the insolvent insurer's estate for claims related to the AHERF litigation. 40 P.S. § 221.23(9).

4. Disclosure of this information to the Court is necessary and appropriate to permit the Court and the Liquidator to fulfill their respective duties under the Act with regard to the liquidation of Reliance. Failure to disclose the information contained in the sealed exhibit to the AHERF Petition will not cause harm to policyholders, creditors or the public.


5. The Liquidator requests that, in resolving this Petition, the Court review the sealed exhibit to the AHERF Petition in camera, grant this Petition and direct the Prothonotary to file the sealed exhibit to the AHERF Petition under seal as "Sealed Exhibit B" to the AHERF Petition. Should the Court be inclined to deny the Petition, the Liquidator respectfully requests that the Court permit the Liquidator the opportunity to

withdraw the Petition and the sealed exhibit to avoid any prejudice which may befall the Liquidator, the estate or the Company or may be caused to the policyholders and claimants of Reliance from premature public disclosure of this information.

WHEREFORE, the Liquidator respectfully requests that this Court grant the Petition for Leave to File Exhibit Under Seal, enter an Order in the form attached hereto, and grant such additional relief as the Court may deem appropriate.

BLANK ROME COMISKY & MCCAULEY LLP

By:



RICHARD P. McELROY
ANTHONY VIDOVICH
One Logan Square
Philadelphia, PA 19103-6998
(215) 569-5500

Attorneys for Plaintiff
M. Diane Koken, Insurance Commissioner
of the Commonwealth of Pennsylvania, as
Liquidator of Reliance Insurance Company

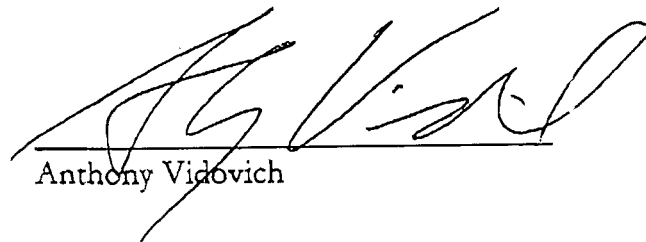
OF COUNSEL:
David F. Simon
Chief Counsel
The Pennsylvania Insurance Department
1341 Strawberry Square
Harrisburg, PA 17120
(717) 787-6009

Dated: January 22, 2002

CERTIFICATE OF SERVICE

I, Anthony Vidovich, hereby certify that this day a true and correct copy of the foregoing Petition, without the sealed exhibit to the AHERF Petition, was served on all persons listed on the attached Master Service List by facsimile and/or U.S. Mail, postage prepaid.

Dated: January 22, 2002



Anthony Vidovich