

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Robert L. Pratter, Acting
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff

v.

RELIANCE INSURANCE COMPANY,

Defendant

No. 269 M.D. 2001

In Re: Petition for Approval of Direct Payment of Reinsurance by CSX Insurance Company to CSX Corporation

ORDER

AND NOW, this 7th day of January, 2011, upon consideration of the Petition for Approval of Direct Payment of Reinsurance filed by Robert L. Pratter, Acting Insurance Commissioner of the Commonwealth of Pennsylvania in his official capacity as Statutory Liquidator of Reliance Insurance Company ("Liquidator"), and it appearing that CSX Insurance Company ("Reinsurer") and CSX Corporation, on behalf of itself and its subsidiaries (CSX"), are in compliance with the criteria established by the Commonwealth Court in *Koken v. Legion Insurance Company*, 831 A.2d 1196 (Pa. Cmwlth. 2003) for entitlement to direct payment of reinsurance proceeds by the Reinsurer and further, the Liquidator and Reinsurer agreeing that no person or firm will earn any contingent fee or extra remuneration of any type as a result of this transaction, the Court hereby confirms the approval by the Liquidator of direct payment of reinsurance proceeds and further approves Reinsurer's assumption of a direct coverage obligation to CSX upon the terms set forth in Reinsurer's request and supporting documentation

and approves the direct payment to CSX by Reinsurer in accordance with its direct payment obligations resulting from the assumption.

Further, the Court directs the Liquidator to serve a copy of this Order upon all listed on the Master Service List, and to file with the Court an affidavit that service as directed by the Court has been effectuated.



Bonnie B. Leadbetter
Bonnie Brigance Leadbetter, President Judge

Certified from the Record

JAN 07 2011

And Order Exit