

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:
Reliance Insurance Company
In Liquidation

NO. 1 REL 2001

IN RE: Application for Approval to Transfer Structured Settlement Annuity
 Contracts and Corresponding Structured Settlement Obligations

ORDER

AND NOW, this ^{13th} day of February, 2014, upon consideration of the Liquidator's Application For Approval to Transfer Structured Settlement Annuity Contracts and Corresponding Structured Settlement Obligations pursuant to Qualified Assignment Agreements (attached to the Application as Exhibits 1-9) between Reliance and the following issuers of structured settlement annuity contracts: (1) American General Life Insurance Company, successor in interest to Western National Life Insurance Company f/k/a AIG Annuity Insurance Company, and to AIG Life Annuity Company; (2) Allstate Life Insurance Company; (3) Life Insurance Company of North America; (4) John Hancock Life Insurance Company (U.S.A.); (5) Monarch Life Insurance Company; (6) The Prudential Insurance Company of America; (7) Symetra Life Insurance Company f/k/a Safeco Life Insurance Company; (8) Transamerica Life

Insurance Company f/k/a Transamerica Occidental Life Insurance Company; and (9) Monumental Life Insurance Company (collectively, the "Annuity Issuers") that will transfer the ownership of 35 Reliance-owned structured settlement annuity contracts issued by the Annuity Issuers and corresponding payment obligations funded by those annuity contracts to assignment companies designated by each Annuity Issuer to receive and assume those obligations; and to discharge Reliance from any further responsibility regarding 12 Reliance structured settlements funded through periodic payments made directly to payees pursuant to reinsurance agreements between Reliance and Monumental Life Insurance Company and National Indemnity Company and Aviva Life and Annuity Company f/k/a Commercial Union Life Insurance Company of America (the "Reinsurers"), the Application is GRANTED.

The Qualified Assignment Agreements are hereby approved, including the transactions contemplated therein and such other reasonable measures necessary to the implementation of the Qualified Assignments.

The transfer by Qualified Assignments to the assignment companies of the annuity contracts and corresponding periodic payment obligations of Reliance under the structured settlement agreements funded by the annuity contracts is hereby approved. With respect to transferred annuity contracts and corresponding periodic payment obligations of Reliance under the structured settlement agreements funded by the annuity contracts, Reliance and the Liquidator are discharged and released from all further responsibility and/or liability associated with the transferred annuity contracts and corresponding periodic payment obligations under the structured settlement agreements funded by the annuity contracts.

Further, neither this Order nor the Qualified Assignment Agreements shall relieve or release the Annuity Issuers from any obligations under their respective annuity

contracts (as listed on a schedule attached to each Qualified Assignment Agreement).

Further, any and all claims submitted in the Reliance Liquidation by or on behalf of payees under the structured settlements with respect to which Reliance is the settlement obligor and under which all obligations to make periodic payments are funded by the annuity contracts are hereby disallowed.

It is further confirmed that, upon the effectiveness of the Qualified Assignments Agreements, ownership of the annuity contracts shall be vested in the respective assignment companies free and clear of any and all claims, liens or encumbrances other than the assumed settlement obligations to the payees under the corresponding structured settlements.

Further, the form and substance of Notices of Determination ("NOD") to be issued by the Liquidator to the Annuity Issuers with respect to the Structured Settlement Annuity Contracts listed by contract numbers in attachments to the Qualified Assignment Agreements for Proof of Claim ("POC") Nos. 211040, 2134974, 2134976, 2123926 and 2123471 filed by AIG Annuity Insurance Company, AIG Life Annuity Company, American General Life Insurance Company, American International Life Insurance Company, and Variable Annuity Life Insurance Company, respectively; POC No. 2114706 filed by Allstate Life Insurance Company; POC No. 2123192 filed by Monarch Life Insurance Company; POC No. 2101671 filed by The Prudential Insurance Company of America; POC No. 2126626 filed by Symetra Life Insurance Company f/k/a Safeco Life Insurance Company; POC No. 2102555 filed by Transamerica Life Insurance Company f/k/a Transamerica Occidental Life Insurance Company; and POC No. 2102557 filed by Monumental Life Insurance Company in its own right and as successor in interest to Peoples Benefit Life Insurance Company (which filed POC No. 2102562), each of which shall dispose of each POC as priority (e) pursuant to 40 P.S. § 221.44 and shall state "This

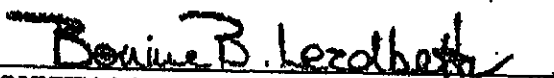
NOD is being issued pursuant to the Qualified Assignment Agreement Agreement dated as of _____, 2013 between the Liquidator of Reliance Insurance Company and the Annuity Issuer [name to be inserted]. Priority level (e) is assigned only for the purpose of consummating the Qualified Assignment Agreement and is not a substantive determination of priority."

With respect to the twelve reinsurance agreements identified in the Application, Reliance and the Liquidator are hereby discharged and released from any and all further responsibility and/or liability with respect to the periodic or other payments to payees under the reinsured settlements, the Reinsurers shall be the sole obligors under the respective reinsured settlements and shall continue to make direct payments to the payees under the reinsured settlements, and the Reinsurers are released from any further responsibility or liability to Reliance or the Liquidator.

Further, the form and substance of Notices of Determination ("NOD") to be issued by the Liquidator to the Reinsurers with respect to the 12 Reliance structured settlements funded through periodic payments made directly to payees pursuant to reinsurance agreements between Reliance and Monumental Life Insurance Company (POC No. 2102557) and as successor in interest to Peoples Benefit Life Insurance Company (POC No. 2102557), and National Indemnity Company (POC No. 1009140) and Aviva Life and Annuity Company f/k/a Commercial Union Life Insurance Company of America (POC No. 2077783), each of which shall dispose of each POC as priority (e) pursuant to 40 P.S. § 221.44 and shall state "This NOD is being issued pursuant to the agreement between the Liquidator of Reliance Insurance Company and the Reinsurer [name to be inserted]. Priority level (e) is assigned only for the purpose of consummating the discharge of Reliance from any further responsibility regarding 12

Reliance structured settlements funded through periodic payments made directly to payees pursuant to reinsurance agreements and is not a substantive determination of priority."

All references in this Order to "Reliance" shall include Reliance Insurance Company in its own right and as successor in interest by merger to the following former subsidiaries merged into Reliance Insurance Company: Reliance National Indemnity Company, f/k/a Planet Insurance Company, United Pacific Insurance Company, Reliance National Insurance Company, Reliance Surety Company, f/k/a Reliance National Property and Casualty Insurance Company, Reliance Direct Insurance Company, Reliance Universal Insurance Company, United Pacific Insurance Company of New York and Reliance Insurance Company of Illinois and Reliance Lloyds.


BONNIE BRIGANCE LEADBETTER
Judge

Certified from the Record

FEB 28 2014

And Order Exit