

the ownership of 37 Reliance-owned structured settlement annuity contracts of the Annuity Issuer and Reliance's corresponding payment obligations funded by those annuity contracts to the assignment company designated by the Annuity Issuer to receive and assume those obligations, the Application is GRANTED.

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

The transfer by Qualified Assignment to the assignment company of the 37 annuity contracts and corresponding periodic payment obligations of Reliance under the structured settlement agreements funded by the annuity contracts, in an amount not to exceed the amount due and owing from the Annuity Issuer under the annuity contracts, is hereby approved.

Except for three pending Proofs of Claim submitted in the Reliance liquidation by payees under three annuity contracts listed on the schedule attached to the Qualified Assignment Agreement, with respect to the 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 any and 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 Agreement shall relieve or release the Annuity Issuer from any obligations under the annuity contracts (as listed on the schedule attached to the Qualified Assignment Agreement), including any obligation to fund the periodic payments due in an amount not to exceed the amount due and owing from the Annuity Issuer under the annuity contracts;

Further, except for three pending Proofs of Claim submitted in the Reliance liquidation by payees under three annuity contracts listed on the schedule attached to the Qualified Assignment Agreement, any and all other claims submitted or to be submitted in the Reliance Liquidation by or on behalf of payees 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.

Upon the effectiveness of the Qualified Assignment Agreement, ownership of the annuity contracts shall be vested in the designated assignment company 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 to the extent that such settlement obligations do not exceed the amount that is due and owing from the Annuity Issuer under the annuity contracts.

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

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**IN RE:
Reliance Insurance Company
In Liquidation**

NO. 1 REL 2001

**Application for Approval to Transfer Structured Settlement Annuity
Contracts Issued by Aurora National Life Assurance Company and
Corresponding Structured Settlement Obligations**

Applicant Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Statutory Liquidator (“Liquidator”) of Reliance Insurance Company (“Reliance” or “Estate”), respectfully requests that this Court enter an Order approving the Qualified Assignment Agreement (“QA Agreement”), attached hereto as Exhibit 1, which has been agreed to by Reliance, Aurora National Life Assurance Company (“Annuity Issuer”) and the Annuity Issuer’s designated assignment company, Treasury Funded Structured Settlement (the “Assignment Company”), and releasing and discharging Reliance from any and all obligations arising from the structured settlement agreements funded by the annuity contracts that are the subject of the QA Agreement.

The QA Agreement will transfer the ownership of 37 Reliance-owned structured settlement annuity contracts¹ (the “Annuity Contracts”) and payment obligations as described in paragraph 7 below under the structured settlement agreements funded by the Annuity Contracts of the Annuity Issuer to the Assignment Company designated by the Annuity Issuer to receive and assume those obligations on the terms and conditions set forth herein. With respect to each of the 37 Annuity Contracts, this Application supersedes the currently suspended Application For Approval To Transfer Ownership of Structured Settlement Annuity Contracts filed on September 10, 2012.

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

1. On October 3, 2001, this Court found Reliance insolvent and issued its Order of Liquidation which appointed the Commissioner as Liquidator of Reliance pursuant to Article V of the Insurance Department Act of 1921, 40 P.S. §§ 221.1 et seq. (“Act”). The Order of Liquidation (paragraphs 3 and 5) and 40 P.S. § 221.20(c) of the Act confer broad powers on the Liquidator and vest the Liquidator with title to all the property and contracts of the insolvent insurer.

2. The Act authorizes the Liquidator to “transfer, abandon or otherwise dispose of or deal with, any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable” and to “enter into such contracts as are necessary to carry out the order to liquidate.” See 40 P.S. §§ 221.23(9), (11).

¹ The Liquidator filed a separate Application on November 6, 2013 seeking court approval to transfer ownership of all Reliance-owned annuity contracts and corresponding payment obligations funded by Genworth annuity contracts to a new corporation to be formed on the terms and conditions set forth in that Application. That Application, which the Court has granted, dealt with the vast majority of Reliance-owned annuity contracts. The Liquidator also filed two separate Applications on January 8, 2014 dealing with 51 annuity contracts of issuers other than Genworth or Aurora. To date, the Court has granted one of those Applications. This Application does not involve either the Genworth annuity contracts or the non-Aurora annuity contracts that were the subject of the previously filed Applications.

3. In accordance with the authority granted by §§ 221.23(9) and (11) of the Act, and in order to allow for an orderly and timely closure of the Estate and discharge of the Liquidator in accordance with 40 P.S. § 221.48(a), the Liquidator seeks approval to transfer the annuity contracts, together with Reliance's rights and obligations under the structured settlement agreements funded by the Annuity Contracts (the "Settlements") as described herein, from the Estate to the Assignment Company, so that the Assignment Company will become the owner of the Annuity Contracts and will also assume certain periodic payment obligations under the Settlements as described below. Reliance's obligations under the Settlements will be discharged.²

4. The Annuity Issuer selected the Assignment Company to be the assignee under the QA Agreement because the Annuity Issuer did not have an affiliated assignment company. The Annuity Issuer advised Reliance of its selection of the Assignment Company to be the assignee under the QA Agreement. The Annuity Issuer negotiated the terms of the QA Agreement with Reliance and provided all information with respect to the Annuity Contracts subject to the QA Agreement. The Annuity Issuer and the Assignment Company have agreed to the QA Agreement and support this Application and join Reliance in requesting the relief specified in paragraph 20.

The Annuity Contracts Are Property of the Estate

5. Reliance is the obligor (i.e., the party directly responsible for making periodic payments) under the 37 Settlements for which it funded its periodic payment obligations through the purchase of annuity contracts issued by Executive Life Insurance Company

² As explained more fully in paragraph 9 below, Reliance instructed the Annuity Issuer to make future benefit payments directly to the payee(s). However, unless discharged by this Court, the underlying obligation to make the payments to the payees remains with Reliance.

("ELIC"). Reliance became the owner of the ELIC annuity contracts when it settled claims against Reliance insureds by means of structured settlements³ and purchased annuity contracts from ELIC to fund the payments under the structured settlements which Reliance was obligated to make.

6. In 1991 after Reliance had purchased the ELIC annuity contracts, ELIC was placed in rehabilitation. Pursuant to ELIC's Rehabilitation Plan (the "Plan") which went into effect in 1993, payees were given the opportunity to either opt out of the Plan and receive the liquidation value of the existing ELIC annuity contracts in a lump sum or to opt into a new restructured annuity contract with the Annuity Issuer.⁴ For payees who voluntarily opted into a new restructured annuity contract, the ELIC annuity contracts were restructured and assumed and reinsured by the Annuity Issuer. The 37 restructured Annuity Contracts that are the subject of the QA Agreement are listed in the Assigned Obligations/Annuity Schedule attached to Exhibit 1. (For privacy reasons, Reliance has omitted names and other identifying data except for the contract numbers.)

7. When the original ELIC annuity contracts were restructured, contract values, benefit payments and terms of the original contracts were permanently adjusted as required by the Plan. As a result, the amount of a benefit payment provided by the Annuity Issuer under a restructured Annuity Contract may be less than the periodic payment(s) under a particular structured settlement. Pursuant to the Plan, state life insurance guaranty associations agreed to provide additional funds to the Annuity Issuer

³ Structured settlements are used in settlement agreements involving personal physical injury or sickness claims or workers' compensation claims and allow the claimant to receive damages or compensation in the form of payments made over a period of time rather than in one lump sum. Because of the time value of money, the claimant will receive more, in total, over time than in a single up-front payment.

⁴ This Application involves only payees who opted into a new restructured annuity contract with the Annuity Issuer. As previously noted, payees who did not opt in received the liquidation value of their original annuity contract as a lump sum. Thus, there are no annuity contracts for payees who did not opt in.

to enhance the value of the restructured Annuity Contracts.⁵ Payees were also entitled under the Plan to participate in future distributions from the remaining assets of the ELIC estate.⁶

8. To the extent that any shortfall amounts remained due on Reliance-owned ELIC annuity contracts, Reliance directly funded such shortfall amounts until liquidation. After Reliance was placed in liquidation, 11 ELIC payees filed Proofs of Claim in the Reliance liquidation with respect to the shortfall. Of those 11, 8 have been resolved by issuance of Notices of Determination without objection. The other 3 (filed by payees whose Annuity Contracts are included in the QA Agreement) are pending (the "Pending ELIC POCs").

9. Reliance instructed the Annuity Issuer to make future benefit payments under the restructured Annuity Contracts directly to the payee(s) named in the Settlements and the annuity application. The Annuity Issuer is obligated to make such future benefit payments only to the extent that such amount does not exceed the benefit amount due and owing from the Annuity Issuer under the restructured Annuity Contracts pursuant to the Plan.

10. The Annuity Contracts provide that all rights of ownership and control under the contract are vested exclusively in the owner, Reliance. One such right vested in Reliance is the right to transfer ownership of the Annuity Contracts to the payees (or another party) upon notice to the Annuity Issuer. For the reasons set forth herein, the

⁵ The Annuity Issuer is not responsible under the Plan for any portion of a benefit payment that is not paid by a guaranty association or if a guaranty association defaults on its obligations.

⁶ The California Conservation and Liquidation Office reported that as of late 2010 the ELIC Rehabilitator had distributed approximately \$1.7 billion to or for the benefit of former ELIC payees.

Liquidator has concluded that it is in the best interest of the Estate to exercise that right and, subject to Court approval, to transfer ownership of the Annuity Contracts to the Assignment Company designated by the Annuity Issuer on the terms set forth herein. Pursuant to the transfer, the Assignment Company will replace Reliance as owner of the restructured Annuity Contracts and as obligor under the Settlements to make the future benefit payments to the extent that such amount does not exceed the amount that is due and owing from the Annuity Issuer under the restructured Annuity Contracts.

Payments under the Annuity Contracts

11. Benefit payments under the Annuity Contracts take a variety of forms and include a specific number of guaranteed lump sum payments to be paid regardless of whether the claimant is alive or not; guaranteed lump sum payments as described, plus monthly payments of a specific amount, commencing on a date certain, with a certain number of months guaranteed and thereafter payments becoming life-contingent; and monthly payments of a specific amount with a certain number of months guaranteed and thereafter becoming life contingent, subject to specified annual percentage increases.

12. Similar to the Genworth annuity contracts already brought to the attention of the Court, some of the Annuity Contracts have guaranteed future payments that are to be paid many years into the future. The length of the stream of future payments means that the estimated present value (i.e., on a discounted basis) of the payments required under the Annuity Contracts is substantially less than the total amount expected to be paid out over time on an undiscounted basis. As described above, the combined effect of the Settlements and the Annuity Contracts is that Reliance is neither the payor nor the payee of the benefit payments.

13. Since liquidation, the payees under the Annuity Contracts have continued, without interruption, to receive benefit payments under the Annuity Contracts as described herein.

Disposition of the Annuity Contracts

14. As explained in the Application to Transfer the Genworth Annuities, it is uncertain at this time precisely when the Liquidator will be discharged and Reliance dissolved. However, it is neither feasible nor fair to the Reliance claimants and creditors, or the Court, to keep the Estate open for the entire duration of the payments under the Settlements and the Annuity Contracts, some of which may continue for many decades. To avoid that undesirable outcome, the Liquidator considered options for the ultimate disposition of these Settlements, along with the corresponding Annuity Contracts, “in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third party claims.” See 40 P.S. § 221.46.

15. After careful consideration, in conjunction with advisors and experts, the Liquidator determined that making “qualified assignments” within the meaning of Section 130(c) of the Internal Revenue Code of 1986, as amended (“Qualified Assignments”) to the Assignment Company of the Settlements with simultaneous discharge of any and all of Reliance’s contingent obligations under the Settlements and transfer of ownership of the Annuity Contracts to the Assignment Company is the best option for such annuities and the one that advances the best interests of the Reliance

Estate. The Assignment Company will take Reliance's place as the obligor under the Settlements with the obligation to make future benefit payments to the extent that such amount does not exceed the amount that is due and owing from the Annuity Issuer under the restructured Annuity Contracts and as the owner of the corresponding Annuity Contracts. Future benefit payments under the Annuity Contracts will satisfy the corresponding periodic payment obligations under the Settlements to the extent that such amount does not exceed the amount due and owing from the Annuity Issuer under the restructured Annuity Contracts. Reliance will cease to be responsible for all periodic payment obligations under the Settlements.

16. In reliance on advisors and experts, the Liquidator has concluded that there will be no federal income tax liability to Reliance arising as a result of the proposed Qualified Assignments and that the transaction outlined in this Application is in the best interests of the Reliance Estate.

17. The Qualified Assignments from Reliance to the Assignment Company will take place pursuant to the QA Agreement, attached hereto as Exhibit 1, whereby the Assignment Company will succeed Reliance as the owner of the Annuity Contracts and will assume corresponding payment obligations under the Settlements in an amount not to exceed the amount due and owing from the Annuity Issuer under the restructured Annuity Contracts. Reliance will transfer to the Assignment Company and the Assignment Company will accept and assume (i) ownership of the Annuity Contracts and (ii) Reliance's corresponding periodic payment obligations under the Settlements in an amount not to exceed the amount due and owing from the Annuity Issuer under the restructured Annuity Contracts. The Assignment Company will succeed Reliance as the

obligor under the Settlements and will fund the payments due thereunder in an amount not to exceed the amount due and owing from the Annuity Issuer under the restructured Annuity Contracts. Further, the Assignment Company will become the owner of the corresponding Annuity Contracts and will agree to hold the transferred Annuity Contracts (as Reliance held them) solely as “qualified funding assets” as the term “qualified funding asset” is defined in Internal Revenue Code § 72(u)(3)(C).

18. Under the terms of the QA Agreement, the transactions referred to in paragraph 17 above are contingent upon the Court’s issuing an Order as follows:

(a) except with respect to the Pending ELIC POCs as defined in paragraph 8 above, discharging and releasing Reliance and the Liquidator from any and all further liability or responsibility with respect to the Settlements and the Annuity Contracts and confirming that the obligations assumed by the Assignment Company likewise will be limited to amounts not to exceed the amounts due and owing from the Annuity Issuer under the restructured Annuity Contracts pursuant to the Plan;

(b) confirming that the Annuity Issuer will not be released from any obligation under the restructured Annuity Contracts, including the obligation to make future benefit payments in an amount not to exceed the amount due and owing from the Annuity Issuer under the restructured Annuity Contracts; and

(c) approving the QA Agreement and the transactions contemplated thereby.

Notice of this Application

19. As required by Rule 3780 of the Rules of Appellate Procedure, the Liquidator has sent the requisite Notice to all non-parties on the Master Service List, has served a copy of this Application on all parties on the Master Service List and has sent the Notice of Filing to the Annuity Issuer and the Assignment Company.

RELIEF SOUGHT

20. Accordingly, pursuant to the authority conferred by 40 P.S. § 221.23(9) and this Court's Orders, including the Liquidation Order, the Liquidator respectfully requests that this Court enter an Order in the form attached hereto approving the QA Agreement, the transactions contemplated by the QA Agreement, and the release and discharge of Reliance and the Liquidator under the Settlements, including:

- (a) approving the transfer by Qualified Assignment to the Assignment Company of the Annuity Contracts and corresponding periodic payment obligations under the Settlements in an amount not to exceed the amount due and owing from the Annuity Issuer under the restructured Annuity Contracts, with the limitation of liability described in subparagraph (b) below;
- (b) except with respect to the Pending ELIC POCs, discharging and releasing Reliance and the Liquidator from any and all further responsibility and/or liability associated with the transferred Settlements and the Annuity Contracts;
- (c) confirming that the Annuity Issuer will not be released from any obligation to fund the periodic payments due in an amount not to exceed the amount due and owing from the Annuity Issuer under the Annuity Contracts;

(d) except with respect to the pending ELIC POCs, disallowing any and all other claims submitted or to be submitted in the Reliance Liquidation by or on behalf of payees under the Settlements and/or the corresponding Annuity Contracts;

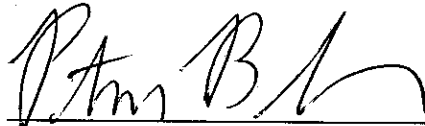
(e) approving the QA Agreement, the transactions contemplated thereby, and such other measures relating to the QA Agreement and its implementation as Reliance, the Annuity Issuer and the Assignment Company in their reasonable discretion shall deem necessary or desirable; and

(f) confirming that upon the effectiveness of the QA Agreement, ownership of the Annuity Contracts shall be vested in the Assignment Company free and clear of any and all claims, liens or encumbrances other than the assumed settlement obligations to the payees under the corresponding Settlements to the extent that such settlement obligations do not exceed the amount that is due and owing from the Annuity Issuer under the Annuity Contracts.

WHEREFORE, the Liquidator respectfully requests that this Court grant the Application, enter an Order in the form attached hereto, and order such other relief as this Court deems necessary and appropriate.

Remainder of page intentionally left blank

Respectfully submitted,



PRESTON BUCKMAN (I.D. #57570)
Special Funds Counsel
Pennsylvania Insurance Department
Capitol Associates Building
Office of Chief Counsel
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

BLANK ROME LLP
ANN B. LAUPHEIMER (I.D. #41883)
SHEILA E. BRANYAN (I.D. #77361)
One Logan Square
Philadelphia, PA 19103-6998
(215) 569-5500

Attorneys for Applicant, Michael F.
Consedine, Insurance Commissioner of the
Commonwealth of Pennsylvania, in his
capacity as Statutory Liquidator of Reliance
Insurance Company

Dated: March 7, 2014

Respectfully submitted,

PRESTON BUCKMAN (I.D. #57570)
Special Funds Counsel
Pennsylvania Insurance Department
Capitol Associates Building
Office of Chief Counsel
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009



BLANK ROME LLP

ANN B. LAUPHEIMER (I.D. #41883)
SHEILA E. BRANYAN (I.D. #77361)
One Logan Square
Philadelphia, PA 19103-6998
(215) 569-5500

Attorneys for Applicant, Michael F.
Consedine, Insurance Commissioner of the
Commonwealth of Pennsylvania, in his
capacity as Statutory Liquidator of Reliance
Insurance Company

Dated: March 7, 2014

VERIFICATION

I, David S. Brietling, am authorized by Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania, pursuant to 40 P.S. §221.23, to act on his behalf in his capacity as the Liquidator of Reliance Insurance Company and to supervise the daily operations as Chief Liquidation Officer for Reliance Insurance Company. I hereby verify that the facts set forth in the foregoing pleading are true and correct to the best of my knowledge, information and belief.

I understand that this Verification is made subject to the penalties of 18 P.S. §4904 relating to unsworn falsification to authorities.



David S. Brietling

Executed on March 7, 2014

CERTIFICATE OF SERVICE

I, Claire Rocco, hereby certify that I am this day serving the foregoing document upon the persons indicated below and in the manner indicated below in accordance with Pa. R.A.P. Nos. 121, 3780 and 3784(a):

Upon the attached Master Service Parties List by first class U.S. Mail or e-mail.

Upon the attached Master Service Non-Parties List by a Notice of Filing.

Upon the Annuity Issuer, Aurora National Life Assurance Company, and the Assignment Company, Treasury Funded Structured Settlement, by a Notice of Filing.

Dated: March 7, 2014

Claire Rocco
CLAIRE ROCCO

**Master Service List
Parties**

IN RE: Reliance Insurance Company In Liquidation
No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

Preston M. Buckman, Esquire, (717) 787-6009
Department Counsel for Insurance
Governor's Office of General Counsel
Commonwealth of Pennsylvania
Insurance Department
Office of the Chief Counsel
Capitol Associates Building
901 North 7th Street
Harrisburg, PA 17102
Phone: (717) 787-6009
Fax: (717) 772 4543
E-mail: pbuckman@pa.gov
(Attorneys for the Pennsylvania
Insurance Department)

Frank P. DeGiulio, (215) 625-9900
Charles P. Neely
Palmer Biezup & Henderson LLP
190 North Independence Mall West
Suite 401
Philadelphia, PA 19106
Phone: (215) 625-9900
Fax: (215) 625-0185
e-mail: fpd@pbh.com
cneely@pbh.com
(Counsel for Republic Western Insurance Company)

Marilyn K. Kincaid, Esquire, (215) 864-4205
Reliance Insurance Company
(in Liquidation)
Three Parkway
5th Floor
Philadelphia, PA 19102
Phone: (215) 864-4205
Fax: (215) 864-4105
E-mail: marilyn.kincaid@relianceinsurance.com
(Attorney for Reliance Insurance
Company (in Liquidation))

Master Service List

Non-Parties

IN RE: Reliance Insurance Company In Liquidation
No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

Richard F. McMenamin, Esquire, (215) 963-5751
David L. Harbaugh, Esquire
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: (215) 963-5751
Fax: (215) 963-5001
E-mail: धारबाugh@morganlewis.com
rmcmenamini@morganlewis.com
(Attorneys for Fuji Bank)

Richard F. McMenamin, Esquire, (215) 963-5596
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: (215) 963-5596
Fax: (215) 963-5001
E-mail: rmcmenamini@morganlewis.com
(Attorney for Milliken & Company)

Richard F. McMenamin, Esquire, (215) 963-5596
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: (215) 963-5596
Fax: (215) 963-5001
E-mail: rmcmenamini@morganlewis.com
(Attorneys for The Bank of New York Mellon
(Formerly Mellon Bank, N.A.))

Jayson R. Wolfgang, Esquire, (717) 237-4852
Buchanan Ingersoll
One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101
Phone: (717) 237-4852
Fax: (717) 233-0852
E-mail: jayson.wolfgang@bipc.com
(Attorneys for Federal Insurance Company)

Rowe W. Snider, Esquire, (312) 443-0700
Steven T. Whitmer, Esquire
Julie L. Young, Esquire
Locke Lord Bissell & Liddell LLP
111 S. Wacker Drive
Chicago, Illinois 60606
Phone: (312) 443-0700
Fax: (312) 443-0336
E-mail: rsnider@lockelord.com
swhitmer@lockelord.com
jyoung@lockelord.com
(Attorneys for Illinois Insurance Guaranty Fund)

Daryn E. Rush, Esquire, (215) 864-6360
White and Williams LLP
1650 Market Street
One Liberty Place, Suite 1800
Philadelphia, PA 19103
Phone: 215-864-6360
Fax: 215-789-7683
E-mail: rushd@whiteandwilliams.com
(Attorney for Baptist Health South Florida, Inc.,
Palm Springs General Hospital, and Travelers
Casualty and Surety Co.)

Timothy P. Law, (215) 851-8100
Matthew D. Rosso
Reed Smith LLP
2500 One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Phone: (215) 851-8100
Fax: (215) 851-1420
E-mail: tlaw@reedsmith.com
mrosso@reedsmith.com
(Counsel for Unisys Corporation and Tribune
Company, Lincoln National Corporation, Warrantech
et. al)

Henry M. Sneath, (412) 288-4000
Bridget M. Gillespie, (412) 288-4017
Picadio Sneath Miller & Norton, P.C.
4710 US Steel Tower
600 Grant Street
Pittsburgh, PA 15219-2702
Phone: (412) 288-4000
(412) 288-4017
Fax: (412) 288-2405
E-mail: hsneath@psmn.com
bgillespie@psmn.com
(Counsel for Washington Mutual Bank ("WAMU"),
as successor to Hawthorne Financial Corp. and
Hawthorne Saving, F.S.B.)

Craig Tractenberg, (212) 940-3722
NIXON PEABODY LLP
Two Penn Center
1500 JFK Blvd
Suite 200
Philadelphia, PA 19102
Phone: (212) 940-3722
Fax: (866) 852-3722
E-Mail: ctractenberg@nixonpeabody.com
(Counsel for Massachusetts Insurers Insolvency
Fund)

Nicholas E. Chimicles, Esquire, (610) 642-8500
Anthony A. Geyelin, Esquire
Chimicles & Tikellis LLP
361 W. Lancaster Avenue
Haverford, PA 19041
Phone: (610) 642-8500
Fax: (610) 649-3633
Email: Nick@Chimicles.com
TonyGeyelin@Chimicles.com
(Counsel for Petitioner, the Certified Class in the In
re Phoenix Leasing Limited Partnership Litigation)

Jayne A. Risk, (215)656-3328
DLA Piper (US) LLP
One Liberty Place
1650 Market Street
Philadelphia PA 19103
Phone: (215)656-3328
fax: (215)606-3328
Email: jayne.risk@dlapiper.com

Stephen A. Loney, Jr., (267) 675-4600
Hogan & Hartson LLP
1835 Market Street
29th Floor
Philadelphia, PA 19103
Phone: (267) 675-4600
Fax: 267-675-4601
e-mail: saloney@hhlaw.com
(Counsel for Genworth Life Insurance Company and
Genworth Life and Annuity Insurance Company
(formerly General Electric Capital Assurance
Company, First Colony Life Insurance Life Insurance
Company, Federal Home Life Insurance Company,
and GE Life and Annuity Assurance Company) and
National Structured Settlements Trade Association)

Timothy A. Diemer, (313)965-1900
Jacobs and Diemer, P.C.
The Guardian Building
500 Griswold St., Suite 2825
Detroit, MI 48226
Phone: (313)965-1900
Fax: (313)965-1919
E-mail: TimDiemer@jacobsdiemer.com
(Counsel for DTE Energy Company)

Medora A. Marisseau, (206) 224-8045
Karr Tuttle Campbell
701 Fifth Avenue, Suite 3300
Seattle, WA 98104
Phone: (206) 224-8045
Fax: (206) 682-7100
E-mail: mmarisseau@karrtuttle.com
(Counsel for Symetra Life Insurance Company f/k/a
Safeco Life Insurance Company)

Timothy J. O'Driscoll, (215) 988-2700
Thomas L. Mueller
Drinker Biddle & Reath LLP
One Logan Square
Suite 2000
Philadelphia, PA 19103
Phone: (215) 988-2700
Fax: (215) 988-2757
Timothy.ODriscoll@dbr.com
Thomas.Mueller@dbr.com
(Counsel for Symetra Life Insurance Company f/k/a
Safeco Life Insurance Company)

Qualified Assignment Service List

Timothy O'Driscoll, Esquire, (215) 988-2865

Drinker Biddle & Reath LLP

One Logan Square, Ste. 2000

Philadelphia, PA 19103-6996

Phone: (215) 988-2865

Fax: (215) 988-2757

E-mail: Timothy.ODriscoll@dbr.com

EXHIBIT 1

Qualified Assignment Agreement

"Assignor": Reliance Insurance Company (In Liquidation) 1/

"Assignee": Treasury Funded Structured Settlement (TFSS)

"Annuity Issuer(s)": Aurora National Life Assurance Company

This Qualified Assignment Agreement ("Agreement") is made and entered into as of the Effective Date (as hereinafter defined) by and among Assignor and Assignee (the "Parties") with reference to the following facts:

- A Assignor is a party to or otherwise is obligated to make periodic payments ("Periodic Payments") under certain structured settlements (the "Subject Structured Settlements"). Assignor purchased structured settlement annuities from Executive Life Insurance Company ("Executive Life") to fund the Subject Structured Settlements (the "ELIC Annuities").2/
- B. The Benefit Payments under the SSAs are made to or for the benefit of the structured settlement payees (the "Payees") and are identified in the Assigned Obligations/Annuity Schedule attached hereto; and
- C. With respect to each Subject Structured Settlement, Assignor and Assignee wish to effect (i) a "qualified assignment" within the meaning of Section 130(c) of the Internal Revenue Code of 1986, as amended (the "Code"), of Assignor's obligation to make the Periodic Payments to the extent that such amount does not exceed the amount that is due and owing from Annuity Issuer under the SSA and (ii) a concurrent purchase by, and transfer and assignment to Assignee of, the corresponding SSA .

Now, therefore, in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

1. **Assignment and Assumption.** With respect to each Subject Structured Settlement, Assignor hereby assigns to Assignee, and Assignee hereby accepts and assumes, all of Assignor's liability to make

1/ Reliance Insurance Company (In Liquidation), f/k/a Reliance Insurance Company, through the Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Statutory Liquidator, pursuant to the Order of Liquidation entered October 3, 2001 by the Commonwealth Court of Pennsylvania, is acting in its own right and as successor in interest by merger to its former subsidiaries which include, without limitation, Reliance National Indemnity Company, f/k/a Planet Insurance Company, United Pacific Insurance Company, Reliance National Insurance Company, and Reliance Surety Company, f/k/a Reliance National Property and Casualty Insurance Company.

2/ Pursuant to Executive Life's Rehabilitation Plan (the "Plan"), on September 3, 1993, the ELIC Annuities were restructured and assumed and reissued by Annuity Issuer. The restructured annuities that are the subject of this Qualified Assignment Agreement are annexed hereto as "Assigned Obligations/Annuity Schedule" (the "SSAs"). When the original ELIC Annuities were restructured, contract values and terms of the original contracts were adjusted as required by the Plan. Therefore, the amount of "Benefit Payments" provided by Annuity Issuer under an SSA may be less than the Periodic Payment(s) under a Subject Structured Settlement. Further, pursuant to the Plan, certain state life insurance guaranty associations ("PGAs") agreed to provide additional funds to Annuity Issuer to enhance the SSAs. A percentage of the "Benefit Payment" amount includes an enhancement by a PGA . Annuity Issuer is not responsible for a "Benefit Payment" if it is not paid by the PGA or if the PGA defaults on its obligations. The percentages of the Benefit Payments that are due and owing from Annuity Issuer under the SSAs appear in the annexed "Assigned Obligations/Annuity Schedule," and Annuity Issuer represents and warrants that such percentages are accurate.

the Periodic Payments to the extent that such amount does not exceed the amount due and owing from Annuity Issuer under an SSA.

2. **Nature of Periodic Payments.** Assignor acknowledges and confirms that the Periodic Payments under each Subject Structured Settlement, including the Benefit Payments due under the SSAs, constitute either –
 - i. damages (other than punitive damages), whether by suit or agreement, or
 - ii. compensation under a workers' compensation act with respect to a workers' compensation claim filed after August 5, 1997,

on account of personal injury or sickness in a case involving physical injury or physical sickness, within the meaning of Sections 130(c) and 104(a) of the Code.

3. **Assignee's Limited Liability; No Release of Annuity Issuer.** Assignee assumes liability to make the Periodic Payments under each Subject Structured Settlement only to the extent that such amount is due and owing from Annuity Issuer. Assignee assumes no other liability whatsoever, including without limitation (i) any obligation to make any payment under any Subject Structured Settlement in excess of any amount due and owing from Annuity Issuer or any payment other than the specified Periodic Payments as limited herein, (ii) any liability with respect to any claim of any Payee against Assignor or its liquidation estate other than a Payee's claim for Periodic Payments as limited herein, and (iii) any other liability arising from any occurrence prior to the Effective Date. Nothing contained in this Agreement shall be construed to relieve Annuity Issuer from any obligations under the SSAs or to modify Annuity Issuer's obligations under the SSAs.
4. **Assignment of Ownership of SSAs.** With respect to each SSA on the "Assigned Obligations/Annuity Schedule," Assignor hereby sells, transfers and assigns ownership to Assignee. Assignee henceforth shall be designated as the "Owner" of each such SSA as defined therein, and all rights of legal ownership and control of each such SSA shall be and remain vested exclusively in Assignee; provided, however, that each such SSA shall be used by Assignee solely to fund the Periodic Payments in an amount not to exceed the amount due and owing from Annuity Issuer and shall at all times be designated by Assignee on its records as being taken into account, under Section 130 of the Code, with respect to this Agreement. No Payee shall have any rights with respect to any SSA or the payments thereunder that would cause any amount attributable to the SSA to be currently includible in the recipient's income or would otherwise affect the determination of when any recipient is treated as having received any payment for income tax purposes, or would otherwise prevent this Agreement from satisfying the conditions for a "qualified assignment" within the meaning of Section 130(c) of the Code.
5. **Direction of Payments.** Payments made to the Payee under an SSA shall not be deemed to afford the Payee any rights of ownership or control of the SSA.
6. **Acceleration, Transfer of Payment Rights.** The Periodic Payments under the Subject Structured Settlement, including Benefit Payments under an SSA, and the rights to or interest in any of such Periodic Payments (all of the foregoing being hereinafter collectively referred to as "Payment Rights") shall not be
 - i. Accelerated, deferred, increased or decreased by any recipient of any of the Periodic Payments; or
 - ii. Sold, assigned, pledged, hypothecated or otherwise transferred or encumbered, either directly or indirectly, unless such sale, assignment, pledge, hypothecation or other transfer or encumbrance (any such transaction being hereinafter referred to as a "Transfer") has been approved in advance in a "Qualified Order" as defined in Section 5891(b)(2) of the Code (a "Qualified Order") and otherwise complies with applicable state law, including without limitation any applicable state structured settlement protection statute; provided, however, that nothing contained in this Agreement or in any order of the Commonwealth Court of Pennsylvania approving this Agreement shall be construed to authorize any Transfer that otherwise would be impermissible under applicable law.

7. **Beneficiaries.** Any guaranteed (i.e., non-life contingent) Periodic Payments under each Subject Structured Settlement, only to the extent that such amount is due and owing from the Annuity Issuer after the death of any Payee, shall be made in accordance with the beneficiary provisions under the SSAs that are the subject of this Qualified Assignment Agreement.

8. **Effective Date; Governing Law; Binding Effect; Execution**

- i. This Agreement shall take effect on the date (the "Effective Date") that is the first date upon which the Commonwealth Court of Pennsylvania shall have entered an order approving this Agreement (as executed by Assignor and Assignee) and such order shall have become final and non-appealable. If the Effective Date does not occur on or before December 31, 2014 or such later date as Assignor and Assignee may agree upon in writing, this Agreement shall automatically terminate and be of no further force or effect.
- ii. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflicts of law.
- iii. This Agreement shall be binding upon the parties hereto and their respective successors, heirs, executors, administrators and permitted assigns, including without limitation any party asserting an interest in Payment Rights.
- iv. This Agreement may be executed and delivered in counterparts, which may be exchanged in PDF form by e-mail. As so executed and delivered this Agreement shall constitute the parties' binding agreement.

IN WITNESS WHEREOF the parties have executed this Qualified Assignment Agreement as follows:

**ASSIGNOR: RELIANCE INSURANCE COMPANY
(In Liquidation)**

**ASSIGNEE: TREASURY FUNDED STRUCTURED
SETTLEMENT (TFSS)**

By: *David Buetting*
Authorized Representative

By: *Daniel B. Uff*
Authorized Representative

Title: *Chief Liquidation Officer*

Title: *Executive Vice President*

Date: *March 4, 2014*

Date: *2/27/14*

Assigned Obligations/Annuity Schedule

This Assigned Obligations/Annuity Schedule is annexed to and incorporated in a Qualified Assignment Agreement between Reliance Insurance Company (In Liquidation), as Assignor, and the following party as Assignee:

TREASURY FUNDED STRUCTURED SETTLEMENT (TFSS)

Structured Settlement Annuity (SSA) Number	Name of SSA Issuer	Name of Payee	Description of Benefit Payments	Amount that is due and owing from Annuity Issuer under the SSA (as % of Benefit Payments)
C21252862A	Aurora National Life Assurance Company			
C21252864A	Aurora National Life Assurance Company			
C21305226A	Aurora National Life Assurance Company			

REDACTED

REDACTED

C21315839A	Aurora National Life Assurance Company
C21315840A	Aurora National Life Assurance Company
C21326335A	Aurora National Life Assurance Company
C21369492A	Aurora National Life Assurance Company
C21404159A	Aurora National Life Assurance Company
C21404762A	Aurora National Life Assurance Company
C21405413A	Aurora National Life Assurance Company
C21405698A	Aurora National Life Assurance Company

C21405934A	Aurora National Life Assurance Company	REDACTED	
C21406216A	Aurora National Life Assurance Company		
C21406579A	Aurora National Life Assurance Company		
C21406580A	Aurora National Life Assurance Company		

REDACTED

C21406673A	Aurora National Life Assurance Company
C21406703A	Aurora National Life Assurance Company
C21406805A	Aurora National Life Assurance Company
C21406901A	Aurora National Life Assurance Company
C21406975A	Aurora National Life Assurance Company

C21407072A	Aurora National Life Assurance Company	
C21407236A	Aurora National Life Assurance Company	
C22309979A	Aurora National Life Assurance Company	
C22322560A	Aurora National Life Assurance Company	
C22322723A	Aurora National Life Assurance Company	
C22323551A	Aurora National Life Assurance Company	
C22323647A	Aurora National Life Assurance Company	
C22324357A	Aurora National Life Assurance Company	
C22324358A	Aurora National Life	

REDACTED

	Assurance Company	
C22324359A	Aurora National Life Assurance Company	
C22324394A	Aurora National Life Assurance Company	
C22324395A	Aurora National Life Assurance Company	
C22329782A	Aurora National Life Assurance Company	
C22329832A	Aurora National Life Assurance Company	
C21329226A	Aurora National Life Assurance Company	
C21406235A	Aurora National Life Assurance	

REDACTED

C22324791A	Company Aurora National Life Assurance Company
------------	--

REDACTED

Initials

Assignor:

Assignee:

