

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Reliance Insurance Company
In Liquidation,

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Commutation, Settlement Agreement and Release between Reliance Insurance Company (In Liquidation) and Clearwater Insurance Company (formerly known as Odyssey Reinsurance Corporation, formerly known as Skandia America Reinsurance Corporation)

ORDER

AND NOW, this 11th day of March, 2014, upon consideration of the Liquidator's Application for Approval of the Commutation, Settlement Agreement, and Release ("Settlement Agreement") between Reliance Insurance Company in Liquidation ("Reliance or Estate") and Clearwater Insurance Company (formerly known as Odyssey Reinsurance Corporation, formerly known as Skandia America Reinsurance Corporation) (Clearwater):

The Court accepts the Liquidator's representations that the Settlement Agreement is in the best interest of the Reliance Estate, as the Settlement Agreement allows the Liquidator to terminate and commute the obligations between Clearwater and Reliance under the Reinsurance Agreements and the Estate will receive an economic benefit amounting to \$4,000,000.

FURTHER, the Court accepts the Liquidator's representations that the Settlement Agreement is a fair and reasonable settlement of Clearwater's obligations to the Reliance Estate under the Reinsurance Agreements, and that the payment contemplated under the Settlement Agreement constitutes fair and reasonable value to the Reliance Estate.

Accordingly, the Application for Approval is GRANTED and the Settlement Agreement is hereby APPROVED.


BONNIE BRIGANCE LEADBETTER,
Judge

Certified from the Record

MAR 11 2014

And Order Exit