

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Reliance Insurance Company In Liquidation	: : : : : : : : :	NO. 1 REL 2001
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Application for Approval to Transfer Structured Settlement Annuity Contracts 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 between Reliance on the one hand and the following issuer of structured settlement annuity contracts on the other:

John Hancock Life Insurance Company (U.S.A.), successor in interest to Manufacturers Life Insurance Company (the “Annuity Issuer”) 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 27 Reliance-owned structured settlement annuity contracts (the “Annuity Contracts”)¹ and corresponding payment obligations under the structured settlement agreements funded by the Annuity Contracts issued by 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 (“Assignment Company”). With respect to each of the Annuity Contracts issued by the Annuity Issuer, 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

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 Applications on January 8, 2014 dealing with 51 annuity contracts of issuers other than Genworth and Aurora National Life Assurance Company and two separate Applications on March 10, 2014 dealing with 40 annuity contracts of Aurora. To date, the Court has granted 2 of those Applications and the other 2 are pending. This Application does not involve any of the Genworth annuity contracts, the non-Aurora annuity contracts or the Aurora annuity contracts that were the subject of those previously filed Applications.

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).

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”), from the Estate to the Assignment Company, so that the Assignment Company will become the owner of the Annuity Contracts and will also assume corresponding periodic payment obligations under the Settlements as described below.²

4. The Annuity Issuer and the Assignment Company have agreed to the QA Agreements and support this Application and join Reliance in requesting the relief specified in paragraph 19.

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 Settlements for which it funded its periodic payment obligations

² As explained more fully below, Reliance, as owner of the Annuity Contracts, instructed the Annuity Issuer to make future periodic 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.

through the purchase of the Annuity Contracts issued by the Annuity Issuer and owned by Reliance.³

6. 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.

7. Reliance became the owner of each of the Annuity Contracts when it settled a claim against a Reliance insured by means of a structured settlement and purchased an annuity contract to fund the settlement payments under the structured settlement which Reliance was obligated to make. The annuity payments correspond to the required periodic payments that are obligations of the Estate under the Settlements.

8. Reliance instructed the Annuity Issuer to make future annuity payments directly to the payee(s) named in the Settlements and the annuity application rather than to Reliance. While the underlying obligation to make the periodic payments to the payees legally remains with Reliance, Reliance's obligation is merely contingent provided, as here, the payments continue to be made to the payees by the Annuity Issuer.

9. The Annuity Contracts generally 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 Liquidator has concluded that it is in the best interest of the Estate to exercise that right

³ To protect the privacy of annuitants, Reliance has omitted names and other identifying data from the schedule attached to the QA Agreement. Contract numbers for each Annuity Contract are listed.

and, subject to Court approval, to transfer ownership of the Annuity Contracts to the Assignment Company designated by the Annuity Issuers on the terms set forth herein. Pursuant to the transfer, the Assignment Company will replace Reliance as obligor under the Settlements and as owner of the corresponding Annuity Contracts.

Payments under the Annuity Contracts

10. Periodic payments under the Reliance-owned 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, 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 also monthly payments of a specific amount with a certain number of months guaranteed and thereafter becoming life contingent, subject to specified annual percentage increases.

11. 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 annuity payments.

12. Since liquidation, the payees under the Annuity Contracts have continued, without interruption, to receive payments from the Annuity Issuers

Disposition of the Annuity Contracts

13. 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 will 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.

14. 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 and as owner of the corresponding Annuity Contracts so that payments under the Annuity Contracts will continue to satisfy the corresponding periodic payment obligations under the Settlements and Reliance will cease to be responsible for those obligations.

15. 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 transactions outlined in this Application are in the best interests of the Reliance Estate.

16. 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 periodic payment obligations under the Settlements as described below. 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. The Assignment Company will succeed Reliance as the obligor under the Settlements and as 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).

17. Under the terms of the QA Agreement, the transactions referred to in paragraph 16 above are contingent upon the Court's issuing an Order:

(a) 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 the amounts to be paid under the Annuity Contracts;

(b) confirming that the Annuity Issuer will not be released from any obligation under its respective Annuity Contracts; and

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

Notice of this Application

18. 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

19. 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 Qualified Assignment Agreement, the transactions contemplated by the Qualified Assignment Agreement, and the release and discharge of Reliance and the Liquidator under the Settlements, including:

(a) approving the transfer by Qualified Assignments to the Assignment Company of the Annuity Contracts and corresponding periodic payment obligations under the Settlements, with the limitation of liability described in subparagraph (b) below;

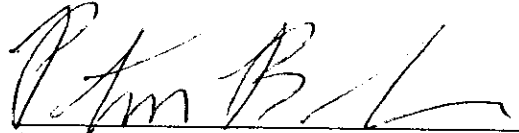
(b) discharging and releasing Reliance and the Liquidator from any and all further responsibility and/or liability associated with the transferred Settlements and the Annuity Contracts;

- (c) confirming that the Annuity Issuer will not be released from any obligation under the Annuity Contracts;
- (d) disallowing any and all other claims submitted in the Reliance Liquidation by or on behalf of payees under the Settlements and/or the corresponding Annuity Contracts;
- (e) approving the Qualified Assignment Agreements the transactions contemplated thereby, and such other measures relating to the Qualified Assignment Agreement and their 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 Qualified Assignment 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.

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

Respectfully submitted,



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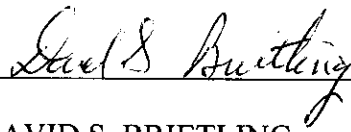
Dated: May 9, 2014

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.

Executed on May 9, 2014



DAVID S. BRIETLING

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 attached list of Annuity Issuer and Assignment Company by a Notice of Filing.

Dated: May 9, 2014

Claire Rocco
CLAIRE ROCCO

**Master Service List
Parties**

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No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

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Annuity Issuer & Assignment Company Service List

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and John Hancock Life Insurance Company (U.S.A)
f/k/a Manufactures Life Insurance Company)*

EXHIBIT 1

Qualified Assignment Agreement

“Assignor”: Reliance Insurance Company (In Liquidation) 1/

“Assignee”: John Hancock Assignment Company

“Annuity Issuer”: John Hancock Life Insurance Company (U.S.A.) f/k/a Manufacturers Life Insurance Company

This Qualified Assignment Agreement (“Agreement”) is made and entered into as of the Effective Date (as hereinafter defined) by and among the undersigned parties with reference to the following facts:

- A Assignor is party to or otherwise is obligated to make periodic payments (“Periodic Payments”) under the structured settlements (the “Subject Structured Settlements”) funded by the structured settlement annuities (“SSAs”) of the Annuity Issuer(s) listed in the “Assigned Obligations/Annuity Schedule(s)” annexed to this Qualified Assignment Agreement. The Periodic Payments are made to or for the benefit of the structured settlement payees (the “Payees”) identified in the Assigned Obligations/Annuity Schedule(s); and
- B 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, 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 the Periodic Payments, subject, however, to the limitations set forth in paragraph 3 below.
2. **Nature of Periodic Payments.** Assignor acknowledges and confirms that the Periodic Payments under each Subject Structured Settlement 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(s).** Assignee assumes liability to make the Periodic Payments under each Subject Structured Settlement only to the extent that such payments are actually made under the corresponding SSA(s) listed in the Assigned Obligations/Annuity Schedule(s). Assignee assumes no other liability whatsoever, including without limitation (i) any obligation to make any payment under any Subject Structured Settlement other than the specified Periodic Payments, (ii) any liability with respect to any claim of any Payee against

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.

Assignor or its liquidation estate other than a Payee's claim for Periodic Payments and (iii) any other liability arising from any occurrence prior to the Effective Date. Nothing contained in this Agreement shall be construed to relieve the Annuity Issuer(s) from any obligations under the SSA(s).

4. **Assignment of Ownership of SSAs.** With respect to each Subject Structured Settlement, Assignor hereby sells, transfers and assigns to Assignee ownership of the corresponding SSA(s). Assignee henceforth shall be designated as the owner of each such SSA, 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 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.** Direction of payments under an SSA to the Payee under a Subject Structured Settlement shall not be deemed to afford the Payee any rights of ownership or control of the SSA.
6. **Acceleration, Transfer of Payment Rights.** None of the Periodic Payments under any Subject Structured Settlement and no rights to or interest in any of such Periodic Payments (all of the foregoing being hereinafter collectively referred to as "Payment Rights") can 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 to be made under any Subject Structured Settlement after the death of any Payee shall be made to the party or parties designated on the records of the Annuity Issuer(s), at the time of the death of the Payee, as the beneficiary or beneficiaries to whom continuing payments are to be made. Any party so designated is referred to in this Agreement as a "Named Beneficiary." If, at the time of the death of a Payee, there is no Named Beneficiary who has survived such Payee, the remaining Periodic Payments shall be made to the estate of the deceased Payee. No designation or change of designation of a Named Beneficiary shall be effective unless such change (i) is requested in a written request submitted to Assignee in accordance with Assignee's customary procedures for processing such requests; and (ii) is confirmed by Assignee. Any designation of a Named Beneficiary shall be deemed to be revocable. No Named Beneficiary shall, solely by virtue of its designation as Named Beneficiary, be deemed to have any cognizable interest in any Payment Rights.
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. Following the death of a Payee identified in an Assigned Obligations/Annuity Schedule the term "Payee" as it is used in this Agreement shall be deemed to refer to such deceased Payee's Named Beneficiary or Beneficiaries or other successor(s) in interest.
- 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: JOHN HANCOCK ASSIGNMENT COMPANY

By: _____
Authorized Representative

By: Carolyn A. Polix
Authorized Representative

Title: _____

Title: Quotations Manager

Date: _____

Date: 5/07/14

- 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. Following the death of a Payee identified in an Assigned Obligations/Annuity Schedule the term "Payee" as it is used in this Agreement shall be deemed to refer to such deceased Payee's Named Beneficiary or Beneficiaries or other successor(s) in interest.
- 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: JOHN HANCOCK ASSIGNMENT COMPANY

By: *Dael S. Bruttling*
Authorized Representative

By: _____
Authorized Representative

Title: *Chief Liquidation Officer*

Title: _____

Date: *May 1, 2014*

Date: _____

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:

JOHN HANCOCK ASSIGNMENT COMPANY

<u>Structured Settlement Annuity (SSA) Number</u>	<u>Name of SSA Issuer</u>	<u>Name of Payee</u>	<u>Named Beneficiary</u>	<u>Description of Periodic Payments</u>
3655650	John Hancock Life Insurance Company (U.S.A.)			
3422546	John Hancock Life Insurance Company (U.S.A.)			
3222519	John Hancock Life Insurance Company (U.S.A.)			
3655610	John Hancock Life Insurance Company (U.S.A.)			REDACTED
3655633	John Hancock Life Insurance Company (U.S.A.)			
3212458	John Hancock Life Insurance Company (U.S.A.)			
3222654	John Hancock Life Insurance			

	Company (U.S.A.)
3222554	John Hancock Life Insurance Company (U.S.A.)
3755173	John Hancock Life Insurance Company (U.S.A.)
3754853	John Hancock Life Insurance Company (U.S.A.)
3212383	John Hancock Life Insurance Company (U.S.A.)
3655815	John Hancock Life Insurance Company (U.S.A.)
3655827	John Hancock Life Insurance Company (U.S.A.)
3655840	John Hancock Life Insurance Company (U.S.A.)
3655814-101	John Hancock Life Insurance Company (U.S.A.)
3655814-102	John Hancock Life Insurance Company (U.S.A.)
3655814-103	John Hancock Life Insurance Company (U.S.A.)

REDACTED

REDACTED

3655814-104	John Hancock Life Insurance Company (U.S.A.)
3655814-105	John Hancock Life Insurance Company (U.S.A.)
3655814-106	John Hancock Life Insurance Company (U.S.A.)
3754790	John Hancock Life Insurance Company (U.S.A.)
3754968	John Hancock Life Insurance Company (U.S.A.)
3754971	John Hancock Life Insurance Company (U.S.A.)
3655764	John Hancock Life Insurance Company (U.S.A.)
4018751	John Hancock Life Insurance Company (U.S.A.)
3655625	John Hancock Life Insurance Company (U.S.A.)
3655763	John Hancock Life Insurance Company (U.S.A.)

REDACTED

REDACTED

Initials

Assignor: ESB

Assignee: _____

3655814-104	John Hancock Life Insurance Company (U.S.A.)
3655814-105	John Hancock Life Insurance Company (U.S.A.)
3655814-106	John Hancock Life Insurance Company (U.S.A.)
3754790	John Hancock Life Insurance Company (U.S.A.)
3754968	John Hancock Life Insurance Company (U.S.A.)
3754971	John Hancock Life Insurance Company (U.S.A.)
3655764	John Hancock Life Insurance Company (U.S.A.)
4018751	John Hancock Life Insurance Company (U.S.A.)
3655625	John Hancock Life Insurance Company (U.S.A.)
3655763	John Hancock Life Insurance Company (U.S.A.)

REDACTED

REDACTED

Initials

Assignor: _____

Assignee:

4922104v5

EXHIBIT A

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 day of , 2014, upon consideration of the Liquidator's Application For Approval to Transfer Structured Settlement Annuity Contracts and Corresponding Structured Settlement Obligations pursuant to the Qualified Assignment Agreement (attached to the Application as Exhibit 1) between Reliance and the designated assignment company of John Hancock Life Insurance Company (U.S.A.), successor in interest to

Manufacturers Life Insurance Company (“Annuity Issuer”) that will transfer the ownership of 27 Reliance-owned structured settlement annuity contracts issued by the Annuity Issuer and 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 Assignments.

The transfer by Qualified Assignments to the assignment company 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 Agreement shall relieve or release the Annuity Issuer from any obligations under the annuity contracts (as listed on a schedule attached to the 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 Assignment Agreement, ownership of the annuity contracts shall be vested in the Annuity Issuer's 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.

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