

THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

v.

RELiance INSURANCE COMPANY,

Defendant.

ZENITH INSURANCE COMPANY,

Petitioner,

v.

M. DIANE KOKEN,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Respondent.

Docket No. 269 M.D. 2001

**STATUTORY LIQUIDATOR'S RESPONSE TO ZENITH INSURANCE
COMPANY'S PETITION TO INTERVENE TO FILE OBJECTIONS
TO THE LIQUIDATOR'S DECISION TO DENY A DIRECT PAYMENT
REQUEST UNDER THE GUIDELINES IMPLEMENTING 40 P.S. § 221.34**

M. Diane Koken, Insurance Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as Statutory Liquidator of Reliance Insurance Company (In
Liquidation), hereby responds to Zenith Insurance Company's Petition To Intervene To File
Objections To The Liquidator's Decision To Deny A Direct Payment Request Under The
Guidelines Implementing 40 P.S. § 221.34 as follows:

FACTS

1. Admitted in part. Denied in part. It is admitted that Zenith submitted a request to the Liquidator. The request from Zenith is a document in writing, which speaks for itself.

2. Admitted in part. Denied in part. It is admitted that the Statutory Liquidator issued a letter denying the request for direct payment on January 16, 2004. The letter denying the request for direct payment is a document in writing, which speaks for itself.

GROUNDS FOR INTERVENTION

3. Denied. The averment in this paragraph is a conclusion of law to which no response is necessary.

4. Denied. The averments in this paragraph are conclusions of law to which no response is necessary. By way of further answer, the Guidelines is a document in writing, which speaks for itself.

5. Denied. The averments in this paragraph are conclusions of law to which no response is necessary.

6. Denied. The Statutory Liquidator is without information or knowledge sufficient to admit or deny the averment in this paragraph.

7. Denied. The averment in this paragraph is a conclusion of law to which no response is necessary. By way of further answer, the Guidelines is a document in writing, which speaks for itself.

8. Denied. The averments in this paragraph are conclusions of law to which no response is necessary.

9. Denied. The Statutory Liquidator is without information or knowledge sufficient to admit or deny the averments in this paragraph.

WHEREFORE, the Statutory Liquidator does not contest Zenith Insurance Company's request to intervene in the liquidation proceedings. However, as discussed in the Statutory Liquidator's Response to the Objections of Zenith Insurance Company To The Denial Of A Direct Payment Request and supporting Memorandum of Law, the Statutory Liquidator requests that Zenith's Objections to the Denial of a Direct Payment Request be denied and dismissed.

Respectfully submitted,

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By:



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