

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

Plaintiff,

v.

RELiance INSURANCE COMPANY,

Defendant.

DOCKET NO. 269 MD 2001

RECEIVED AND FILED
PHILADELPHIA
COMMONWEALTH COURT
OF PENNSYLVANIA
OCT 3 11 24 AM '01

**CONSENT OF RELIANCE INSURANCE COMPANY
TO ENTRY OF ORDER OF LIQUIDATION
AND WAIVER OF NOTICE AND HEARING**

Petitioner M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania (the "Commissioner"), in her capacity as Rehabilitator of Reliance Insurance Company (the "Rehabilitator"), through William S. Taylor, Deputy Insurance Commissioner, hereby consents to the entry upon petition of an order of liquidation for Reliance Insurance Company ("Reliance" or the "Company"), and waives notice and hearing thereon, as follows:

1. On May 29, 2001, the Commissioner petitioned the Commonwealth Court of Pennsylvania for an order placing Reliance in rehabilitation under the provisions of the Insurance Department Act of 1921 (the "Act"), 40 P.S. §§221.1 *et seq.* The Board of Directors of Reliance consented to the entry of said order. Immediately after consenting to the Order of Rehabilitation, all of Reliance's directors resigned. On that same day, the Court

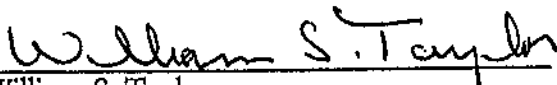
issued an Order of Rehabilitation appointing the Commissioner statutory Rehabilitator of Reliance.

2. The Rehabilitator has "all of the powers of the directors, officers and managers" of Reliance in rehabilitation as well as the "full power to direct and manage . . . the property and business of . . ." Reliance. 40 P.S. §221.16(b).

3. Pursuant to the aforesaid authority of the Rehabilitator, Reliance hereby agrees and consents to the entry of the proposed Order of Liquidation attached to the Petition for Liquidation, filed October 2, 2001, including the declaration of insolvency contained therein, and waives its right to any hearing before the Commonwealth Court with respect to said Petition and the proposed Order for Liquidation (including the declaration of insolvency contained therein). See 40 P.S. § 221.20(b), (f).

4. I am duly authorized to execute this consent on behalf of the Rehabilitator.

Date: October 2, 2001


William S. Taylor
Deputy Insurance Commissioner for
Liquidations, Rehabilitations and
Special Funds