IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. Diane Koken, Insurance
Commissioner, Commonwealth
of Pennsylvania,
Plaintiff

v. No. 183 M.D. 2002
Legion Insurance Company,
Defendant

ORDER

AND NOW, this 8th day of May, 2003, upon consideration of the Joint Petition (Joint Petition) of Mutual Risk Management, Ltd. (MRM) and M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Rehabilitator (Rehabilitator) of Legion Insurance Company (in Rehabilitation) (Legion) and Villanova Insurance Company (in Rehabilitation) (Villanova) and upon review of the documents submitted along with the Joint Petition, including the Commutation Agreement and the Settlement Agreement and the schedules, exhibits and attachments appended to each, and notice of the Joint Petition having been provided to the Master Service List, as well as to the Senior Debtholders, as that term is defined in the Settlement Agreement.

This Court finds as follows:

- 1. The terms of the Commutation Agreement are fair and reasonable, including the Settlement Amount as defined in Article I, paragraph 2 and set forth in Schedule 12:
- 2. The Commutation Agreement was negotiated in good faith by the parties who have independent interests;

- 3. By entering into the Commutation Agreement, the Rehabilitator has acted in the best interests of the estates of Legion and Villanova;
- 4. The terms of the Settlement Agreement are fair and reasonable, including the percentage allocation of the Tax Refund, as set forth in Section II.H, and the settlement of Intercompany Accounts described in Section II.I;
- 5. The Settlement Agreement was negotiated in good faith by the parties who have independent interests; and
- 6. By entering into the Settlement Agreement, the Rehabilitator has acted in the best interests of the estates of Legion and Villanova.
- Based upon these findings, it is hereby ORDERED and DECREED that the Joint Petition is GRANTED, and the Commutation Agreement and the Settlement Agreement are hereby APPROVED, and the Rehabilitator is authorized to take all actions necessary to perform and consummate the Commutation Agreement and Settlement Agreement.

MARY HANNAH LEAVITT, Judge