

GOVERNOR'S OFFICE OF GENERAL COUNSEL

June 18, 2009

OF PENNSYLVANIA

Michael F. Krimmel, Chief Clerk Commonwealth Court of Pennsylvania 624 South Office Building Harrisburg, PA 17120-0001

Re: Joel S. Ario, Insurance Commissioner of the Commonwealth of

Pennsylvania v. PHICO Insurance Company

No. 427 M.D. 2001

Dear Mr. Krimmel:

Enclosed for filing, please find an original and one (1) copy of the Liquidator's Affidavit of Service of the Court's Order granting the Petition for Approval of Commutation, Settlement Agreement and Release Between PHICO Insurance Company (In Liquidation) and Swiss Reinsurance America Corporation ("Commutation Petition") and the Court's Order granting the Petition for Leave to File Confidential Affidavit Under Seal regarding the Commutation Petition.

Very truly yours,

Preston M. Buckman Special Funds Counsel

PMB:jlh Encs.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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Joel S. Ario, Insurance Commissioner Commonwealth of Pennsylvania, Plaintiff

v.

No. 427 M.D. 2001

PHICO Insurance Company,

Defendant

ORDER

AND NOW, this 15th day of June, 2009, having considered the "Liquidator's Petition for Leave to File Confidential Affidavit under SEAL," (Petition), it is hereby ordered as follows:

- 1. The Petition is GRANTED.
- 2. The Liquidator is permitted to file under SEAL the Confidential Affidavit marked as "Sealed Exhibit A to the Petition to File Confidential Affidavit under SEAL."
- 3. The Chief Clerk is directed to file the Confidential Affidavit under SEAL, taking all necessary and appropriate precautions to prevent the public disclosure of the Confidential Affidavit until further order of this court.

4. Counsel for the Liquidator is directed to serve a copy of this Order upon those listed on the Master Service List, with an affidavit that service has been effectuated with the court.

ROCHELLE S. FRIEDMAN, Senior Judge

Certified from the Record

JUN 16 2009

and Order Exit

Rec'd By Legal

IN THE COMMONWEALTH COURT OF PENNSYLVANIA_{IUN} 1 > 2009

Joel S. Ario, Insurance Commissioner

Commonwealth of Pennsylvania,

Plaintiff

v.

No. 427 M.D. 2001

PHICO Insurance Company,

Defendant

ORDER

AND NOW, this 15th day of June, 2009, having considered the "Liquidator's Petition for Approval of Commutation, Settlement Agreement and Release Between PHICO Insurance Company (In Liquidation) and Swiss Reinsurance American Corporation," (Petition), it is hereby ordered as follows:

- 1. The Petition is GRANTED, and the Commutation. Settlement Agreement and Release incorporated therein by reference as Exhibit A is APPROVED.
- The Settlement Agreement is a fair and reasonable settlement of 2. PHICO and Swiss Reinsurance America Corporation obligations under the Reinsurance Agreements.
- 3. The payment contemplated by the Settlement Agreement constitutes fair and reasonable value to the Estate.

4. The Settlement Agreement and Commutation amount are in the best interests of the Estate.

ROCHELLE S. FRIEDMAN, Senior Judge

Certified from the Record

JUN 16 2009

and Order Exit

PRINT TIMEJUN, 17. 9:43AM

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL S. ARIO,

Insurance Commissioner of the :

Commonwealth of Pennsylvania,

Plaintiff, :

v. : NO. 427 M.D. 2001

PHICO INSURANCE COMPANY,

Defendant.

AFFIDAVIT OF SERVICE

Pursuant to the Court's Order of June 15, 2009, the undersigned, on behalf of Joel S.

Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as

Statutory Liquidator of PHICO Insurance Company, hereby deposes and says that the Court's

June 15, 2009 (1) Order Granting Liquidator's Petition for Leave to file Confidential Affidavit

Under Seal; and (2) Order Granting Liquidator's Petition for Approval of the Commutation,

Settlement Agreement and Release Between PHICO Insurance Company (In Liquidation) and

Swiss Reinsurance American Corporation were served on the attached master service list via first-class mail on June 18, 2009.

Respectfully submitted:

PRESTON M. BUCKMAN (I.D. #57570)

Special Funds Counsel

Pennsylvania Insurance Department

Capital Associates Building

Governor's Office of General Counsel 901 North 7th Street

Harrisburg, PA 17102

(717) 787-6009

Attorney for Joel S. Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Liquidator of PHICO Insurance Company

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon the persons and in the manner indicated below:

Service by first-class mail, addressed as follows:

Timothy John Lynch Jerome J. Shestack Jennifer A. Furman Wolf Block Schorr & Solis-Cohen LLP 1650 Arch Street, 22nd Floor Philadelphia, PA 19103

Frederick P. Santarelli Elliott Reihner Siedzikowski & Egan, PC 925 Harvest Drive Blue Bell, PA 19422

David M. Funk Funk & Bolton, PA 100 Light Street, Suite 1000 Baltimore, MD 21202

James F. Kilcur Saul Ewing Remick & Saul, LLP 3800 Centre Square West Philadelphia, PA 19102

Loudon L. Campbell Eckert Seamans Cherin & Mellott, LLC 213 Market Street, 8th Floor Harrisburg, PA 17101

Grant H. Fleming McQuaide Blasko Schwartz Fleming & Faulkner, Inc. 800 University Drive State College, PA 16801 Thomas Joseph Sniscak
Malatesta Hawke & McKeon, LLP
100 N. 10th Street
P.O. Box 1778
Harrisburg, PA 17105

David K. Miller Miller & Wagner 2210 N.W. Flanders St. Portland, OR 97210-3408

Shanin Specter
Jonathan Morely Cohen
Kline & Specter, PC
1525 Locust Street, 9th Floor
Philadelphia, PA 19102

Alan H. Starr White & Williams, LLP 1800 One Liberty Place Philadelphia, PA 19103-7395

Patrick J. DeMay DeMay DeMay & Donnelly, PC 4800 Liberty Road Bethel Park, PA 15102

Adrian Renz King John H. Estey Ballard Spahr Andrews & Ingersoll, LLP 1735 Market St, 51st Floor Philadelphia, PA 19103-7599 Katherine Martin Allen McQuaide Blasko Schwartz Fleming & Faulkner, Inc. 600 Centerview Dr., M.C. A560 Suite 5103 Hershey, PA 17033

Kean K. McDonald, Esquire 2000 Market St. 10th Floor Philadelphia, PA 19103-3291

Michael G. Sabo Mylottee David & Fitzpatrick 1635 Market St., 9th Floor Philadelphia, PA 19103

Thomas G. Wilkinson Cozen & O'Connor, PC 1900 Market St. Philadelphia, PA 10103

Joseph Armenti Joseph R. Armenti & Associates 303 Chestnut Street Philadelphia, PA 19106

Thomas W. Wagstaff Wagstaff & Cartmell, LLP 4740 Grand Avenue, Suite 300 Kansas City, MO 64112

David R. Johnson Thomson Rhodes & Cowie, PC Two Chatham Center, Suite 1010 Pittsburgh, PA 15219

Constance B. Foster, Esquire PHICO P.O. Box 85 Mechanicsburg, PA 17055

Donald L. Reihart 3015 Eastern Boulevard York, PA 17402 Mark Thomas Perry Perry Law Firm, LLC 300 Bank Towers 321 Spruce Street Scranton, PA 18503

Michael J. Foley McLane Foley McDonald & MacGregor, PC 6000 Linden Plaza P.O. Box 1108 Scranton, PA 18501

John M. Gallagher Gallagher Schoenfeld Surkin Chupein & DeMis, PC 25 W. Second Street P.O. Box 900 Media, PA 19063

Darryl R. Wishard Mitchell Mitchell Gallagher Weber Southard & Wishard, PC 10 W. Third St. Williamsport, PA 17701

Mary Drake Korsmeyer Peacock Keller & Ecker, LLP 70 E. Beau St. Washington, PA 15301

John I. McIntyre McIntyre Dugas Hartye & Schmitt P.O. Box 533 Hollidaysburg, PA 16648-0533

Carol Carty Richard F. McMenamin Morgan Lewis 1701 Market Street Philadelphia, PA 19103 Chris Oh Liquidity Solutions, Inc. 1 University Plaza, Suite 312 Hackensack, NJ 07601

Kenneth A De Koven, Esquire Argo Partners 12 West 37th Street, 9th Floor New York, NY 10018

PRESTON M. BUCKMAN (I.D. #57570)

Special Funds Counsel

Pennsylvania Insurance Department Governor's Office of General Counsel

Capitol Associates Building

901 North 7th Street Harrisburg, PA 17102

(717) 787-6009

Attorney for Joel S. Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator of PHICO Insurance Company

Dated: