

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Commonwealth Insurance Company, :
In Liquidation : No. 1 CIC 2014

APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON COMMONWEALTH INSURANCE COMPANY CLAIMS
UNDISPUTED AND RESOLVED
FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

Applicant, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator (“Liquidator”) of Commonwealth Insurance Company (“CIC”), pursuant to Pa.R.A.P. 3784(a) and 40 P.S. § 221.45, respectfully applies to this Court for an Order approving her Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015. In support of her Application, the Liquidator avers the following:

BACKGROUND

1. The Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of CIC pursuant to this Court’s Order dated March 20, 2014 (“Liquidation Order”).

2. The Liquidation Order provided that “in addition to the notice requirements of Section 524 of the Act,¹ 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation where CIC has its principal places of business that: (a) specifies the last day for the filing of claims; (b) explains the procedure by which claims may be submitted to the Liquidator; (c) provides the address of the Liquidator’s office for the submission of claims; and (d) notifies the public of the right to present a claim, or claims, to the Liquidator.” See Liquidation Order, ¶17. By April 2, 2014, the Liquidator provided Notice of the Liquidation Order and a Q&A document that, inter alia, informed all interested parties to download a Proof of Claim (“POC”) form from the Insurance Department’s website, or call for a copy of the POC form.

3. 40 P.S. § 221.45 requires the Liquidator to present to the Court a report of the claims against the insurer with recommendations, including the name and address of each claimant, the particulars of the claim, and the amount of the claim finally recommended, if any. Pa.R.A.P. 3784(a) further refines 40 P.S. § 221.45, and requires that at least annually, the Liquidator present to the Court a report of the claims against the insurer’s estate that have been resolved, with recommendations, including the information required by 40 P.S. § 221.45, as well as the priority class, and whether the claim determination was finalized because no objection was filed, no exceptions were taken to a referee’s recommended decision, a recommended decision was sustained by the Court or the parties agreed to a settlement.

¹The Insurance Department Act of 1921, Act of May 17, 1921, (“Act”), P.L. 789, as amended, 40 P.S. §§ 221.1 – 221.63. (This footnote is added here, and is not contained in the text of the Liquidation Order that is being quoted in paragraph 2).

**REPORT AND RECOMMENDATIONS ON CLAIMS
UNDISPUTED AND RESOLVED AS OF DECEMBER 31, 2015**

4. The Liquidator's Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015 is comprised of two parts and attached hereto as Exhibits A and B (collectively referred to as "Report"). The claims are sorted alphabetically, within each class, by the claimant's last name or company name. The amount claimed by the claimant, inter alia, is also included in the Report.²

5. The first part of the Report, which addresses claims that were determined and finalized without objection, and are referred to as "Undisputed Claims", reflects Notices Of Determination ("NOD") issued by the Liquidator for which the objection period expired on or before December 31, 2015. The total number of Undisputed Claims is 20 with an allowed amount of \$442,665.94. The list of Undisputed Claims is attached hereto as Exhibit A.

6. The second part of the Report, which addresses claims that were determined and finalized because no exceptions were taken to a referee's recommended decision, a recommended decision was sustained by the Court or the parties agreed to a settlement, and are referred to as "Resolved Claims", is a list of the disputed claims to which objections were filed and resolved on or before December 31, 2015. The total number of Resolved Claims is 0, with an allowed amount of \$0. This is memorialized in Exhibit B, which is attached hereto.

7. As set forth in Exhibits A and B, the Liquidator respectfully submits her recommendations for a total of 20 claims with a total allowed amount of \$442,665.94 in accordance with Pa.R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court's approval.

² If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as \$0.

8. In fulfilling his statutory requirements, the Liquidator carefully reviewed all documentation submitted by the claimants in support of the claims and independently determined the merit, classification and value of each claim, as required by the Act. See 40 P.S. §§ 221.37, 221.38, 221.44, 221.45.

9. Given the discretion afforded the Liquidator pursuant to 40 P.S. § 221.45(a) to “comport, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court,” the Liquidator believes that the classification and amounts he has determined for the reported claims are appropriate, fair and equitable and consistent with the relevant provisions of the Act. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the CIC estate, claimants and other creditors.

10. Pursuant to Pa.R.A.P. 3784(a) and 40 P.S. § 221.45(b), the Liquidator respectfully requests that this Court approve the classification and allowed amount of the claims listed in the Report and allow the claimants listed in the Report or their lawful assignees to receive a distribution in accordance with 40.P.S. §221.44 at the time and in the manner as approved by this Court.

WHEREFORE, the Liquidator respectfully requests that this Court grant her Application and approve and allow the claims as listed in the Report attached as Exhibits A and B, enter an Order

in the form attached hereto, and grant such other relief as the Court shall determine appropriate and just.

Respectfully submitted:

By: P. M. Buckman

Preston M. Buckman (I.D. No. 57570)
PA Office of General Counsel
Pennsylvania Insurance Department
Office of Liquidations, Rehabilitations
and Special Funds
901 North 7th Street, Suite 201
Harrisburg, PA 17102
(717) 787-6009

Attorney for Applicant, Theresa D. Miller,
Insurance Commissioner of the
Commonwealth of Pennsylvania, in her
Official Capacity as Liquidator of
Commonwealth Insurance Company (In
Liquidation)

Date: 2/11/16

EXHIBIT A

Undisputed and Resolved Claims

Undisputed Claims

COMMONWEALTH INSURANCE COMPANY

Report Period: 01/01/2015 thru 12/31/2015

Number of Undisputed Claims:	20	Amount Claimed:	1,007,571.50	Amount Approved:	442,665.94
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**Undisputed and Resolved Claims
Undisputed Claims**

COMMONWEALTH INSURANCE COMPANY

Report Period: 01/01/2015 thru 12/31/2015

Name	Address	POC #	POC Received Dr.	Claim Numbers	Class	Total Claimed Amt.	Total Allowed Amt.	Claim Particulars
701 WEST LEHIGH PARTNERS, LP	701 WEST LEHIGH PARTNERS, LP 701 WEST LEHIGH AVE PHILADELPHIA, PA 19133	65	11/13/2014	2014-002	E	549,545.10	86,264.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	62	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	54	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	48	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	52	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	60	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	56	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	49	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	51	11/10/2014		E	0.00	0.00	P&C INSURED
DEPT OF ENVIRONMENTAL PROTECTION	DEPT OF ENVIRONMENTAL PROTECTION 400 MARKET STREET P O BOX 8464 HARRISBURG, PA 17105	64	11/10/2014		E	0.00	0.00	P&C INSURED
ED KRASAVAGE CONSTRUCTION INC	ED KRASAVAGE CONSTRUCTION INC JOSEPH G ALBERT/ALBERT & KAMAGE 458 WYOMING AVE SUITE 201 KINGSTON, PA 18704	78	09/24/2015	2015-001	E	218,613.20	218,613.20	P&C THIRD PARTY
J A CARVELL LOGGING	J A CARVELL LOGGING 417 EAST MAIN STREET NEW HOLLAND, PA 17557	44	11/07/2014		E	898.00	0.00	RETURN PREMIUM
KUHARCHIK CONSTRUCTION INC.	KUHARCHIK CONSTRUCTION INC. ROBERT P BRESNAHAN JR. 420 SCHOOLEY AVENUE EXETER, PA 18643	38	10/14/2014	2014-010	E	63,125.76	26,880.00	P&C THIRD PARTY

MILLER GAS & OIL SERVICE DEVIN CHWASTYK 100 PINE STREET HARRISBURG, PA 17101	69	11/20/2014	2014-012	E	120,535.91	55,111.13	P&C THIRD PARTY
MURRAY EIGHT AGENCY, INC. 400 W LANCASTER AVE. DEVON, PA 19333	46	11/10/2014		E	2,429.60	0.00	AGENT
PHILLIPS & DART OIL FIELD SERVICES, INC. 3502 RT 646 P O BOX 222 GIFFORD, PA 16732	76	12/05/2014		E	3,442.00	5,323.00	RETURN PREMIUM
POWERCO 7247 PENN DR ALLENTOWN, PA 19131	71	11/21/2014	2014-002	E	13,937.58	13,430.26	P&C THIRD PARTY
SUBURBAN WASTE SERVICES 1813 MARSH RD., SUITE C WILMINGTON, DE 19810	75	11/21/2014		E	32,184.75	32,184.75	RETURN PREMIUM
TAYLOR ASSOCIATES, LP STEPHEN T. CARPENITO 200 MAHANTONGO STREET POTTSVILLE, PA 17901	70	11/21/2014	2014-013	E	0.00	0.00	P&C INSURED
COMMONWEALTH OF PENNSYLVANIA, DEPT OF LABOR AND INDUSTRY 651 BOAS STREET HARRISBURG, PA 17121	77	08/06/2015		F	2,859.60	2,859.60	STATE/LOCAL

EXHIBIT B

Undisputed and Resolved Claims

Resolved Claims

COMMONWEALTH INSURANCE COMPANY

Report Period: 01/01/2015 thru 12/31/2015

Number of Resolved Claims:	0	Amount Claimed:	0	Amount Approved:	0
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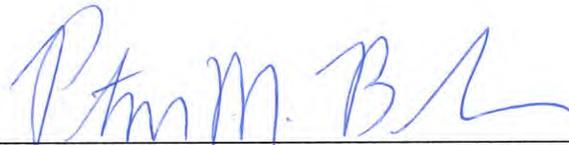
CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service via eservice through PACFile, and regular U.S. Mail addressed as follows:

William R. Balaban, Esquire
WBalaban@BalabanAndAssociates.com
27 North Front Street
Harrisburg, PA 17101-1606
(717) 695-2901
(717) 695-7914 (fax)

Bernard S. Rubb, Esquire
bernierubb@gmail.com
434 Oliver Road
Sewickley, PA 15143
(412) 741-3021
(412) 741-3011 (fax)



PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Office of Liquidations, Rehabilitations
& Special Funds
Governor's Office of General Counsel
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

Counsel for the Statutory Liquidator of
Commonwealth Insurance Company

DATED: 2/11/16

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Commonwealth Insurance Company, :
In Liquidation : No. 1 CIC 2014

RE: Liquidator's Report and Recommendations on Commonwealth Insurance Company
Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015.

ORDER

AND NOW, this ____ day of _____, 2016, upon consideration of the
Liquidator's Application for Approval of Report and Recommendations on Commonwealth
Insurance Company Claims Undisputed and Resolved from January 1, 2015 to December 31,
2015 ("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED and the claims listed in the Report and
Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved
from January 1, 2015 to December 31, 2015 ("Report") are APPROVED and ALLOWED both
as to classification and amount as listed;

2. The Report is incorporated herein by reference; and

3. The Claimants listed in the Report or their lawful assignees shall receive a distribution in accordance with 40.P.S. § 221.44 at the time and in the manner as approved by this Court.

DAN PELLEGRINI, Judge



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

February 11, 2016

Michael F. Krimmel, Chief Clerk
Commonwealth Court of Pennsylvania
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17120-9185

***Re: In Re: Commonwealth Insurance Company (In Liquidation)
No. 1 CIC 2014***

Dear Mr. Krimmel:

Attached please find the Liquidator's Application for Approval of Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015, with regard to the above-referenced matter.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Preston M. Buckman".

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosures