

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company, : No. 1 LEG 2002
(In Liquidation) :

**QUARTERLY REPORT OF THE LIQUIDATOR
ON THE STATUS OF THE LIQUIDATION OF
LEGION INSURANCE COMPANY AS OF DECEMBER 31, 2015**

I. INTRODUCTION

Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator (the "Liquidator") of Legion Insurance Company ("Legion or Estate"), through her undersigned counsel, hereby submits this Quarterly Report on the status of the liquidation of Legion for the period from January 1, 2015 through December 31, 2015 ("Report").

II. REPORT

A. Financial Statements.

Legion has prepared the Special Purpose Statement of Assets and Liabilities, Statutory Capital and Surplus Account and Cash Flow Summary ("Statements"). The Statements include many estimates as noted below and may not fully reflect the effects of the liquidation.

Consequently, the ultimate distribution to creditors is unknown at this time. For this reason, third parties should not rely on the financial information contained herein as providing any certainty or clear indication as to the ultimate distribution that will be made from Legion. The Notes to the Special Purpose Statement of Assets and Liabilities, attached as Exhibit D, describes the nature of the line items on the Statements and should be included in any review of Legion's financial information.

The Statements are addressed in more detail in sections 1 through 4 below.

1. **Special Purpose Statement of Assets and Liabilities – Assets – EXHIBIT A.**

As of December 31, 2015, the attached Special Purpose Statement of Assets and Liabilities shows estimated total assets were \$2,148.2 million, including \$461.4 million of cash and liquid investments.

Reinsurance recoverables and future reinsurance recoverables totaled \$2.5 million. These amounts have declined significantly over time primarily because Legion has actively pursued reinsurance commutations in an effort to collect reinsurance sooner. Legion does not expect any further material reinsurance recoveries.

Early access advances to Guaranty Associations (“GAs”) totaled \$1,681.3 million.

a. **Cash and Investments.**

Legion had a cash and investment portfolio of \$461.4 million as of December 31, 2015. Refer to the Cash Flow Summary (Exhibit C) for major components of change for the current year. Excess cash flows over and above the immediate operating needs of the Estate are transferred to money market deposits. Legion's investment manager, Delaware Investments, utilizes Legion's approved investment policy to trade specific securities held in the fixed income

securities portfolio and to generally monitor and manage the portfolio in accordance with the guidelines. Delaware Investments has been Legion's sole investment manager since July 1, 2009. All marketable securities are booked to the market values provided by Legion's custodian, BNY Mellon Bank, as of the end of each month. Of the \$461.4 million cash and investments available, \$68.1 million is being reserved as it may be potentially distributed for Early Access funds currently held. (See Paragraph II.A.1.c.)

b. Reinsurance Assets.

Legion has largely completed the collection of its reinsurance assets through the billing of paid losses and commutation of future reinsurance obligations.

Detailed information relating to reinsurance recoverables due or billable net as of December 31, 2015 is submitted as Exhibit G.

c. Early Access Advances.

Workers' compensation claims paid by Legion on behalf of the GAs during the first 90 days after the date of the Liquidation and pursuant to the Court's Order are considered part of early access monies.

On August 7, 2014, the Court approved the Liquidator's Ninth Proposal to Distribute Assets (\$130.0 million) to the State Guaranty Associations ("Liquidator's Ninth Proposal") bringing the total authorized by the Court to \$1.7 billion for early access distributions. Legion has distributed all of these funds via cash payments and reductions of statutory deposits, except for \$68.1 million which is currently being held.

2. Special Purpose Statement of Assets and Liabilities – Liabilities –

EXHIBIT A.

Total estimated liabilities at December 31, 2015, were \$2.8 billion. The Statement includes an estimate of the liquidation expenses that have been incurred by the GAs in administering the Estate and a reserve for the costs of their ongoing administration of open claims from the Claims Bar Date. It does not include an estimate of the cost that will be incurred by Legion in administering the Estate over time. Legion liquidation expenses are class (a) priority payments under the Insurance Department Act of 1921, 40 P.S. § 221.44 (“Act”), as are certain GA expenses, to the extent permitted by the Act. Both Liquidator and GA expenses will be paid before distributions for claims under policies for losses, class (b) priority, and other lower class creditors. As of December 31, 2015, there was \$7.6 million in reserves for unpaid liquidator and GA administrative expenses.

However, the most significant liability is the \$2.5 billion assigned to class (b) POCs. This category includes direct insurance policy holder benefits reported by the GAs as paid (\$1.6 billion) and reserves (\$.5 billion), as reflected on the attached Exhibit H, Guaranty Fund Claim Overview Report. The liability also includes Legion’s estimated reserves – other (\$.2 billion). As of December 31, 2015, Legion’s liability for non-guaranty fund accepted NODs was \$57.5 million. A reduction of \$26.3 million is shown for distribution payments issued to class (b) claimants as of December 31, 2015.

On April 29, 2015, the Court entered an Order establishing a Claims Bar Date. The Order provides that all claims must have matured into a legal cause of action and a Proof of Claim filed with the Estate by July 28, 2015. The estate has continued to accept information on losses reported to the GAs up through the Claims Bar Date.

a. **Priority Class A.**

Prior to receivership, Legion, Villanova Insurance Company (“Villanova”) and Legion Indemnity Company (“Indemnity”) operated with an expense sharing agreement pursuant to which Legion paid the common expenses for all three companies through July 2003. Under the expense sharing agreement, common expenses were allocated 80% to Legion, 10% to Villanova and 10% to Indemnity. Following entry of the Court’s Orders placing Legion and Villanova into liquidation in July 2003, the expenses were allocated 90% to Legion and 10% to Villanova. The several schedules attached to this Report relating to expenses (Exhibits E and F) represent the expenses paid or incurred by Legion and Villanova on a consolidated basis, including all common expenses, before any allocation. The Liquidator’s Petition for Approval of Administrative Expenses Paid for the Period January 1, 2015 through June 30, 2015, was approved by the Court on October 16, 2015.

The Combined Expense Detail attached as Exhibit E lists \$13.9 million of statutory liquidator administrative operating expenses incurred before federal income taxes by Legion and Villanova for the period January 1, 2015 through December 31, 2015.

The GAs report their administrative expenses to Legion via financial reports generally received quarterly from most GAs. Attached as Exhibit H is the Guaranty Fund Claim Overview Report showing by GA the total of \$213.4 million in administrative expenses reported to Legion as paid by GAs through the Claims Bar Date. Legion reviews such expenses as part of the formal NOD process. In addition, Legion has established a reserve of \$3.6 million for the costs of the GAs of administering the open claims after the Claims Bar Date, which is not included in Exhibit H but is reflected in Exhibit A. Subsequent to the Claims Bar Date, Legion began

issuing NODs for GA administrative expense POCs based on Legion's continuing review of each GA's reported expenses.

b. Priority Class B.

The amounts set forth on this Statement for losses and loss adjustment expenses as of the Claims Bar Date are based primarily upon GA paid claims, POCs and NODs issued and the estimated value of known case reserves established by actuarial estimates of expected losses on an undiscounted basis as of the Claims Bar Date. Due to the inherent complexity of the loss reserving process, the potential variability of the assumptions used and the variability resulting from the effect of the liquidation process, the final ultimate liability for losses and loss adjustment expenses will be determined through the NOD evaluation process, and may be significantly different from the estimate of loss and ALAE reserves included in the statements.

As a result of the Claims Bar Date, Legion wrote-off all outstanding Class B estimated liabilities, including incurred but not reported, for which no POC was filed. This amounted to \$12.2 million.

c. Priority Classes Below Class B.

Also included in total liabilities are estimated liabilities for POCs assigned to priority classifications below class (b), which aggregate to \$116.6 million. See the accompanying notes for a brief description of each line item. Legion had entered into a pooling arrangement with affiliates related to loss experience. In the fourth quarter 2008, the contract was accounted for as being terminated effective as of the rehabilitation date of April 1, 2002.

Throughout the liquidation period it has been anticipated that Legion would not make distributions to claimants whose claims were classified (c) or below. In order to maximize the Estates' resources and assets, Legion decided to issue "Class Only" NODs for Class (e), (f) and

(g) levels. These NODs acknowledged the legitimacy of a claim but assigned no dollar value to the claim. In the event it was determined that Legion would be able to make distributions to claimants in levels below Class B, the Class Only NODs for those classes where distributions might be made would be valued and issued an amended NOD. When the Court amended its rules for the summary and formal proceedings against insurers effective July 30, 2012, all class (e), (f) and (g) claims valued after that date were assigned a dollar value. While it is still not anticipated that Legion will pay out below a Class B claim, as a result of the issuance of Class Only NODs, total liabilities in those classes may be substantially understated.

As a result of the Claims Bar Date, Legion wrote-off all outstanding estimated liabilities below Class B for which no POC was filed or a Class Only NOD was issued. This amounted to \$143.3 million.

3. Statement of Statutory Capital and Surplus Account – EXHIBIT B.

Attached to this report is a special purpose Statement of Statutory Capital and Surplus Account for the period from December 31, 2001 to December 31, 2015. The estimated net deficit at December 31, 2015, was \$650.5 million.

4. Statement of Cash Flow Summary – EXHIBIT C.

Attached to this report is a Statement of Cash Flow Summary (“Cash Flow Summary”) for the period January 1, 2015 through December 31, 2015. Reinsurance collections of \$21.0 million were the primary source of cash receipts for the period. Total sources of cash and investments for the period were \$40.0 million.

Total uses of cash and investments were \$26.7 million for the period.

a. Reinsurance Collections.

Although Reinsurance recoverables have been a significant asset of Legion, at December 31, 2015, the reinsurance recoverable balance was \$2.1 million, or .1% of total assets. Legion claims and accounting staff continue to provide the remaining reinsurers with required claims documentation to support reinsurance billings, respond to inquiries, resolve disputes and verify proper offsets. During the period January 1, 2015 through December 31, 2015, \$21.0 million of reinsurance was collected.

b. Deductible Recoveries/Amounts to be Distributed per Act 46.

Legion collects funds under large deductible policies. These funds will be paid, as outlined in Pennsylvania Statute Act 46, to those entities that funded the claim payments. Until the appropriate allocation can be determined, the funds are transferred to a separate restricted cash account.

c. Operating Expenses.

Refer to Exhibit E, Combined Expense Detail, for line item detail of major components of operating expenses incurred by Legion for the period January 1, 2015 through December 31, 2015. Operating expenses paid per the Cash Flow Summary and Administrative Expenses Incurred per the Combined Expense Detail differs somewhat because of accruals. For most operating expenses, Legion pays the invoice and is reimbursed from Villanova for its share through an intercompany transfer. (Please refer to the explanation of expense allocation included under Section 2a.).

d. Guaranty Association Transactions.

As of December 31, 2015, the Court has authorized \$1.7 billion in total for early access distributions. Legion has distributed via cash payments and reductions of statutory deposits all of these funds, except for \$68.1 million which is currently being held.

e. Interim Distribution.

On February 27, 2012, the Court approved the Liquidator's Amended Petition for First Interim Distribution allowing a 50% distribution to all class (b) claimants whose NOD is approved by the Court. As of December 31, 2015, Legion has made distribution payments of \$26.3 million.

5. Combined Expense Detail – EXHIBIT E.

The operating expenses of Legion relate to efforts by the Liquidator to marshal and maximize the assets of the Estate for the benefit of all Legion policyholders and claimants, as well as to review and determine the ultimate liabilities of the Estate, to fulfill the public policies and purposes of the Act and the liquidation process, and to investigate and hold accountable those third parties alleged to contribute to the insolvency of Legion.

Exhibit E is a schedule reflecting the combined incurred expenses of Legion and Villanova from January 1, 2015 through December 31, 2015, together with a comparison, by category of expense, between 2015 YTD actual and 2015 YTD budget and between 2015 YTD actual and 2014 YTD actual. As reflected in the Statement, the total operating expenses before federal income taxes through December 31, 2015, are \$13.9 million, which is 12.4% lower than the 2015 budget and 27.8% less than the 2014 actual. There have been no significant unfavorable variances between the budgeted and actual accrued expenses. The GAs also

incurred operating expenses, which are reported cumulatively on Exhibit H. Please refer to Section 2a for an explanation of the expense allocation.

a. Labor, Benefits and Payroll Taxes.

As of December 31, 2015, Legion had a total of 33.5 employees. In addition, Legion utilizes temporary/contractor workers when needed. Current plans dictate that this mix will fluctuate as Legion implements a more flexible staffing model designed to ensure continuity of specialized and institutional knowledge critical to the Estate.

b. Occupancy.

Legion currently leases office space in Philadelphia. Legion executed a lease agreement on new office space in Philadelphia in 2012. Legion is committed to the lease through June 30, 2017, with monthly base lease payments of \$30,906 effective January 1, 2016. Legion has the option to extend the lease in one year increments through June 30, 2018.

c. Legal Fees and Expenses.

Attached as Exhibit F is a schedule containing the legal expense paid detail by firm for the period January 1, 2015 through December 31, 2015, by month. Legal expenses generally pertained to NOD objections and liquidation matters.

d. Professional Services.

Attached as Exhibit F is a schedule containing the professional service expense paid detail by vendor name for the period January 1, 2015 through December 31, 2015 by month. The individual professionals and firms listed in the schedule include auditing services, tax services and consulting fees.

e. **Federal Income Taxes.**

As of December 31, 2015, Legion paid \$1.6 million as an estimate of alternative minimum tax due on its parent's 2014 consolidated federal tax return related to Legion's reduction in IBNR. In addition, Legion has recorded \$2.9 million for potential tax liabilities for the 2015 tax year.

6. **Guaranty Fund Claims and Expense Information.**

The GAs are an essential part of the liquidation safety net, providing significant coverage to certain policyholders and paying covered claims as defined and required by their respective statutes. Legion has continuously worked with the National Conference of Insurance Guaranty Funds ("NCIGF") to assure the smooth interaction between the Estate and the state guaranty funds. The NCIGF's members include almost all of the state property and casualty insurance GAs in the United States. All aspects of cooperation between the Estate and GAs are discussed with the NCIGF. Discussions and correspondence included matters such as Legion claim file distribution, claim handling procedures, communication protocols, GA data reporting and Uniform Data Standards protocol, Legion product and policy information, and deductible and policy aggregate tracking. Legion personnel have worked with specific NCIGF groups and committees on specific areas, such as large deductible recoveries.

a. **Status of Uniform Data Standards ("UDS").**

A unit within Legion coordinates with the GAs and their vendors in managing the data reporting process and the quality of data reported by GAs. As of the Claims Bar Date, 48 GAs reported paid and outstanding loss information via electronic UDS files, either sent directly to Legion or submitted to the NCIGF secure FTP website. The electronic files received from GAs are interfaced to a processing application at Legion, where the data is parsed and edited.

Resolution of data errors is coordinated with the respective GA. The data is then interfaced to Legion's policy/claim system to support Estate functions, including reinsurance billing and financial reporting.

Data quality is additionally monitored through various reports and procedures, which specifically address aspects of the UDS data, such as Net Worth recoveries and large deductible recoveries.

b. Guaranty Fund Claim Overview – EXHIBIT H.

The Guaranty Fund Claim Overview Report ("COR") summarizes by state the policyholder benefit claims and administrative expenses received and applied by Legion through the Claims Bar Date. The COR data represents UDS claims paid inception-to-date and claim reserve information through the Claims Bar Date for the National Organization of Life and Health Guaranty Associations and the 55 property and casualty GAs (excludes Oregon which has formed an ancillary to administer the Legion workers compensation claimants and has not signed the refunding agreement). Administrative expenses were updated from the quarterly Financial Information Questionnaires. Legion adjusted the COR for states which triggered the estate's liquidation prior to July 28, 2003, post liquidation claim payments made on behalf of GAs, questionable settlements and deductible recoveries. Legion also adjusted for disallowed administrative expenses.

The COR is a summary of the GAs' preliminary documentation supporting their proofs of claim against the Estate. Based on the documentation provided, Legion provides the GAs with early access monies to help fund the administrative and policyholder benefit payments made by the GAs on Legion's behalf. All such claims and expenses ultimately will be settled through the formal NOD process. Subsequent to the Claims Bar Date, Legion began issuing

NODs for GA loss and loss adjustment expense POCs based on Legion's continuing review of each GA's reported losses and loss adjustment expenses.

7. Claims Process.

The deadline for filing POCs was June 30, 2005. As of December 31, 2015, Legion and Villanova combined had received a total of 46,141 POC claims. Of those, 2,763 were received after the claim filing deadline. On April 29, 2015, the Court entered an Order establishing a Claims Bar Date. The Order provides that all claims must have matured into a legal cause of action and a Proof of Claim filed with the Estate by July 28, 2015. POCs filed prior to the Claims Bar Date will be evaluated consistent with the Order and the late filing provisions of the Act.

a. Proofs of Claim Statistics – EXHIBIT I (Inception-to-Date).

As of December 31, 2015, Legion had issued and accepted NODs for 41,343 of the 41,479 POC claims assigned to it for a total allowed amount of \$178.3 million. Accepted NODs accounted for approximately 99.7% of the POC claims filed with the Estate. The Court has approved 41,268 of these NODs, as of December 31, 2015, for a total allowed amount of \$177.2 million. Exhibit I breaks down this information by priority class. NODs will be issued for all POCs received.

b. Proofs of Claim Statistics – EXHIBIT J (Quarter-to-Date).

During the quarter ended December 31, 2015, Legion completed reclassifications and/or set-up new suffixes for multiple claims on individual POCs received prior to the Claims Bar Date resulting in a net increase of 7 POC suffixes for the quarter. An additional 24 NODs were issued during the period and 56 were accepted.

c. **Notice of Determination Objection Statistics – EXHIBIT K.**

As of December 31, 2015, the Liquidator had received a total of 942 objections on the 41,355 NODs issued. As of December 31, 2015, Legion resolved 938 objections. Of the 4 unresolved objections, 3 were assigned to referees as of December 31, 2015. Exhibit K indicates the status of all objections received through December 31, 2015, breaks down this information by priority class and includes the Allowed Amounts for objections in each priority class.

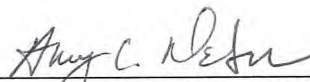
d. **Status of Distribution.**

Since February 2008, on a semi-annual basis the Liquidator has filed a Petition for Approval of Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved (“Report of Claims”). The Report of Claims lists the allowed amounts of claimant NODs that had been accepted or assumed accepted in the prior six month period. On July 30, 2015, the Liquidator filed the most recent Report of Claims for the period January 1, 2015 to June 30, 2015. The Court granted the petition on September 11, 2015. The allowed amounts on NODs approved for distribution are listed by priority class on Exhibit I.

On December 2, 2011 the Liquidator filed an Amended Petition for First Interim Distribution for a 50% distribution of NOD allowed amounts to all Class (b) claimants whose NOD is approved by the Court, including the aggregate policies. The Court granted the petition on February 27, 2012. Other than workers’ compensation policies, many policies written by Legion were subject to aggregate limits. The NOD allowed amounts on a few policies have exceeded or are close to exceeding the aggregate limits; therefore, when all POC claims have been evaluated for these affected policies, the final NOD allowed amounts will be an allocation of the policy aggregate limits. The aggregate limit will be allocated pro rata, based on the

relative value of each NOD gross allowed value to the total gross allowed values of all NODs assigned to the particular policy.

Respectfully submitted,



AMY L. WEBER (I.D. #45447)
Insurance Department Counsel
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Harrisburg, PA 17102
(717) 787-6009


Counsel for Teresa D. Miller, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as Statutory
Liquidator of Legion Insurance Company (In
Liquidation)

DATED: 2/23/16

5. I verify that the matters stated therein are true and correct to the best of my knowledge, information and belief, and make these statements subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.


ROBERT E. HABERLE

Sworn to and subscribed before me
this 20th day of February, 2016.


NOTARY PUBLIC
COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
ROBERT J. LENAHAN, Notary Public
City of Philadelphia, Phila. County
My Commission Expires December 14, 2019

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company :
(In Liquidation) : No. 1 LEG 2002

**AFFIDAVIT OF GERALD V. BEHR
IN SUPPORT OF THE FOURTH QUARTER 2015
FINANCIAL REPORT OF THE LIQUIDATOR**

I, **GERALD V. BEHR**, hereby depose and state as follows:

1. I am Vice President and Chief Financial Officer of Legion Insurance Company (In Liquidation)(“Legion”) and Villanova Insurance Company (In Liquidation) (“Villanova”) (collectively, “the Estates”), am a currently licensed Certified Public Accountant, and am responsible for overseeing all aspects of the Estate’s financial operations.
2. I assisted in the direction of the preparation of the Fourth Quarter 2015 Financial Report of the Liquidator (“the Report”), and make this certification in reliance on the assistance and support of qualified staff and the Estates’ internal procedures for financial operations.
3. I certify that the Exhibits attached to the Report fairly present the following:
 - A. Special Purpose Statement of Assets and Liabilities: Exhibit “A” to the Report is the Special Purpose Statement of Assets and Liabilities for the

Estates as of December 31, 2015. As reflected in the Note accompanying these Statements, it has been prepared on a unique financial reporting basis, subject to the several assumptions and qualifications stated therein.

- B. Statement Reflecting Statutory Capital and Surplus Account: Exhibit “B” to the Report is the Statement reflecting the Statutory Capital and Surplus Account for the Estates for the period December 31, 2001 through December 31, 2015.
- C. Monthly Cash Flow Summary: Exhibit “C” is the cash flow summary on a monthly basis for the Estate including investment transactions for the period January 1, 2015 through December 31, 2015.
- D. Notes to Special Purpose Statement of Assets and Liabilities: Exhibit “D” contains information explaining the unique financial reporting basis used to prepare the Special Purpose Statement.
- E. Combined Expense Analysis: Prior to receivership, Legion, Villanova and Legion Indemnity Company (“Indemnity”) operated with an expense sharing agreement pursuant to which Legion paid the common expenses for all three companies through July 2003. Under the expense sharing agreement, common expenses were allocated 80% to Legion, 10% to Villanova and 10% to Indemnity. Following entry of the Court’s Orders placing Legion and Villanova into liquidation in July, 2003, the expenses were allocated 90% to Legion and 10% to Villanova. The schedules attached to the Report relating to expenses represent the expenses paid or incurred by the Estates on a consolidated basis, including all common expenses, before any allocation.

Exhibit “E” is a schedule reflecting the combined incurred expenses of the Estates from January 1, 2015 through December 31, 2015 together with a comparison, by category of expense, between 2015 actual and the 2015 budget and between 2014 and 2015 actuals. There have been no significant unfavorable variances between the budgeted and actual accrued expenses.

Exhibit E provides the accrued administrative expenses of the Estates including salaries and employee benefits for the period of January 1, 2015 through December 31, 2015 except for certain guaranty association expenses that may qualify as administrative expenses of the Estates.

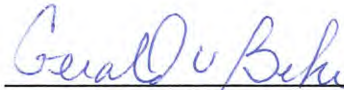
- F. Professional Services Paid and Incurred: Exhibit “F” is a schedule reflecting the amounts which the Liquidator paid or amounts which the Liquidator has incurred as a result of the performance of services by various professional vendors, including accounting and actuarial firms, consultants on reinsurance and other matters, premium audit and collection services, and other support service providers, during the period January 1, 2015 through December 31, 2015. Legal vendors, including law firms and other litigation and support service providers, are broken out separately on Exhibit “F.”
- G. Reinsurance Recoverables due or Billable Net: Detailed information relating to reinsurance recoverables of the Estate due or billable net as of December 31, 2015 is submitted as Exhibit “G.”
- H. Guaranty Fund Claim Overview Report: Summary information for liquidation class (“Class”) A and B claims at a state guaranty association level is provided in Exhibit “H.” This information may include adjustments for

inaccuracies in GA data reporting or material expenses, as appropriate. This information excludes any state guaranty associations which have formed an ancillary to administer their claims.

- I. Proof of Claim Statistics Inception to Date: Exhibit “I” provides inception to date summary information at a Class level of various proof of claims statistics.
 - J. Proof of Claim Statistics Quarter to Date: Exhibit “J” provides quarter to date summary information at a Class level of various proofs of claims statistics.
 - K. Notice of Determination Objection Statistics: Summary information at a class level of Notice of Determination Objections received, resolved and unresolved is provided in Exhibit “K”. Additional summary information is also provided related to unresolved objections.
4. Based on my knowledge, the financial information included in the Report fairly presents in all material respects the financial condition, results of operations and cash flows for the Fourth Quarter of 2015.


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I verify that the matters stated herein are true and correct to the best of my knowledge, information and belief, and make these statements subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



GERALD V. BEHR

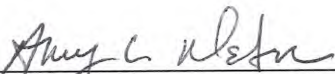
Sworn to and subscribed before me
This 22nd day of February, 2016.



NOTARY PUBLIC
COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL
ROBERT J. LENAHAN, Notary Public
City of Philadelphia, Phila. County
My Commission Expires December 14, 2019

CERTIFICATION

I, Amy L. Weber, Governor's Office of General Counsel, assigned to the Office of Liquidations, Rehabilitations and Special Funds of the Pennsylvania Insurance Department, am duly authorized to make this Certification for and on behalf of Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator ("Liquidator") of Legion Insurance Company. I am responsible for reviewing the invoices and documents received from outside counsel supporting the legal fees and expenses for Exhibit F to the Quarterly Report of the Liquidator on the Status of the Liquidation of Legion Insurance Company as of December 31, 2015, and I certify that these legal fees and expenses are reasonable and necessary. I also have reviewed Exhibit E, the Combined Expense Analysis for Legion Insurance Company (In Liquidation) and Villanova Insurance Company (In Liquidation) and certify that the legal fees and expenses stated therein have been reflected accurately. I understand that this Certification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.



Amy L. Weber
Insurance Department Counsel

Dated: 2/23/16

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company, : No. 1 LEG 2002
(In Liquidation) :

**EXHIBITS A - K
QUARTERLY REPORT OF THE LIQUIDATOR
ON THE STATUS OF THE LIQUIDATION
OF LEGION INSURANCE COMPANY
AS OF DECEMBER 31, 2015**

EXHIBIT

A

Legion Insurance Company (In Liquidation)
Special Purpose Statement of Assets and Liabilities*
December 31, 2015 and December 31, 2014
(In Millions of Dollars)

	12/31/2015	12/31/2014
ASSETS		
Cash investments:		
Fixed income securities	\$ 177.7	\$ 175.8
Money market deposits	283.7	274.6
Total cash and invested assets	461.4	450.4
Estimated losses and loss adjustment expense reserves - ceded	2.1	34.3
Reinsurance recoverables due or billable, net	0.4	2.6
Early access advances	1,681.3	1,681.3
Amounts to be distributed per Act 46, net	1.2	24.4
Other assets	1.8	0.5
Total Assets	\$ 2,148.2	\$ 2,193.5
LIABILITIES		
Estimated Priority Class		
A - Administrative expenses:		
Liquidator expenses incurred since liquidation	\$ 442.4	\$ 425.8
Liquidator expenses paid since liquidation	(438.4)	(421.6)
Liquidator expenses	4.0	4.2
Guaranty associations paid ULAE reported	213.4	206.3
Guaranty associations' reserves ULAE	3.6	4.3
Total	\$ 221.0	\$ 214.8
B - Claims for policy benefits:		
Guaranty associations paid (including large deductible)	1,636.0	1,622.0
Liquidator valued NODs accepted	57.5	56.2
Asset distribution payments, net	(26.3)	(25.8)
Estimated reserves - guaranty associations	545.5	547.1
Estimated reserves - other	248.4	495.4
Total	2,461.1	2,694.9
C - Federal government claims		
Liquidator valued NODs accepted	0.9	0.9
D - Certain employee claims		
E - General creditor claims		
Guaranty associations paid	-	30.2
Liquidator valued NODs accepted	89.5	84.7
Estimated value	0.3	67.5
Total	89.8	182.4
F - State and local government claims		
Liquidator valued NODs accepted	26.9	26.9
Estimated value	-	31.2
Total	26.9	58.1
G - Late filed claims		
Liquidator valued NODs accepted	3.4	3.3
Ancillary Receiverships:		
Post liquidation claims and administrative expenses paid, gross	6.6	7.3
Estimated losses and loss adjustment expense reserves - direct	2.2	5.4
Offset of unapplied liquidated statutory deposit	(13.2)	(13.2)
Post liquidation claims, net	(4.4)	(0.5)
Total liabilities	2,798.7	3,153.9
Net surplus (deficit)	(650.5)	(960.4)
Total Liabilities and Surplus (Deficit)	\$ 2,148.2	\$ 2,193.5

* See Notes to Special Purpose Statement of Assets and Liabilities

**EXHIBIT
B**

Legion Insurance Company (In Liquidation)
Statutory Capital and Surplus Account
For the various periods
(in millions of Dollars)

Surplus as regards to policyholders, as of December 31, 2001	\$ 298.3
Net loss:	
Underwriting loss, net	(30.6)
Investment income, net	(0.8)
Other income (expenses), net	3.4
Loss before income taxes	(28.0)
Federal & foreign income taxes	-
Net loss	(28.0)
Change in net unrealized capital gains (losses)	3.2
Change in net deferred income tax	(42.3)
Change in non-admitted assets	47.7
Change in provision for reinsurance	-
Change in surplus for the period	(19.4)
Surplus as regards to policyholders, as of March 31, 2002	278.9
<u>Surplus activity during Rehabilitation Period:</u>	
Net loss:	
Underwriting loss, net	(279.0)
Investment income, net	10.5
Other income (expenses), net	(5.1)
Net loss	(273.6)
Change in net unrealized capital gains (losses)	(25.6)
Change in net deferred income tax	-
Change in non-admitted assets	(18.5)
Change in provision for reinsurance	22.7
Change in surplus for the period	(295.0)
Surplus as regards to policyholders, as of July 28, 2003	(16.1)
<u>Surplus activity during Liquidation:</u>	
Net loss:	
Underwriting loss, net	(263.4)
Class A - Administrative expenses	(651.2)
Class A - Federal income taxes	(4.5)
Class A - Investment expense	(4.2)
Investment income	189.3
Other income (expenses), net	35.7
Net loss	(698.3)
Change in net unrealized capital gains (losses)	1.7
Change in net deferred income tax	-
Change in non-admitted assets	62.2
Change in provision for reinsurance	-
Change in surplus for the period	(634.4)
Surplus as regards to policyholders, as of December 31, 2015	\$ (650.5)

EXHIBIT

C

Legion Insurance Company (In Liquidation)
 Cash Flow Summary - Monthly Summaries
 Liquidation Basis
 YTD January 1, 2015 - December 31, 2015
 (In millions)

	January	February	March	April	May	June	July	August	September	October	November	December	YTD 2015
Beginning Available Cash and Investments	\$ 454.2	\$ 454.2	\$ 456.4	\$ 453.5	\$ 459.1	\$ 459.3	\$ 456.7	\$ 457.2	\$ 458.1	\$ 457.5	\$ 456.7	\$ 456.6	\$ 454.9
Premium collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance collections:													
Reinsurance recoverables	0.3	0.2	0.3	1.0	-	0.4	0.5	0.3	-	-	0.2	0.1	3.3
Reinsurance commutations/settlements	1.0	2.5	0.6	4.8	-	0.9	-	0.1	-	-	-	-	9.9
Less: Collection Expense	(0.1)	-	-	(0.1)	(0.5)	(0.3)	-	(0.1)	-	-	-	(0.1)	(1.2)
Deductible Recoveries:													
Mutual Companies	-	0.1	-	-	-	-	-	-	-	-	-	-	0.1
All Other	0.2	0.5	0.8	1.3	2.1	0.3	1.2	0.5	0.1	0.2	0.1	0.4	7.7
Transfer from Restricted Cash	-	-	-	-	-	-	-	-	-	-	-	12.0	12.0
Investment income	0.2	0.2	0.8	0.2	0.1	0.3	0.1	0.5	0.8	0.4	0.1	0.2	3.9
Total Sources of Cash	1.6	3.5	2.5	7.2	1.7	1.6	1.8	1.3	0.9	0.6	0.4	12.6	35.7
Loss & loss adjustment expense payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid expenses	(0.8)	(0.5)	(1.2)	(0.6)	(0.4)	(0.4)	(0.6)	(0.6)	(0.4)	(0.5)	(0.4)	(0.3)	(6.7)
Federal income taxes	-	-	(1.6)	-	-	-	-	-	-	-	-	-	(1.6)
Payroll	(0.8)	(0.6)	(1.9)	(0.7)	(0.8)	(0.4)	(0.6)	(0.7)	(0.4)	(1.2)	(0.3)	(0.4)	(8.8)
Intercompany transfers	0.2	0.1	0.1	0.3	0.1	0.2	0.1	(0.3)	-	-	0.2	-	1.0
Guaranty Association transactions	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Court approved NODs	-	-	(0.3)	-	-	-	-	-	(0.2)	-	-	-	(0.5)
Amounts to be distributed per Act 46	(0.9)	(0.2)	(0.6)	(0.6)	(0.6)	(3.6)	(0.2)	(0.3)	(0.5)	-	-	(0.4)	(7.9)
Other cash inflows (outflows)	-	(0.1)	0.1	-	0.2	-	-	1.5	-	0.3	-	0.1	2.1
Total Uses of Cash	(2.3)	(1.3)	(5.4)	(1.6)	(1.5)	(4.2)	(1.3)	(0.4)	(1.5)	(1.4)	(0.5)	(1.0)	(22.4)
Ending Available Cash and Investments	\$ 454.2	\$ 456.4	\$ 453.5	\$ 459.1	\$ 459.3	\$ 456.7	\$ 457.2	\$ 458.1	\$ 457.5	\$ 456.7	\$ 456.6	\$ 456.2	\$ 461.4
Mark to Market and other adjustments	-	-	(5.1)	-	-	(5.9)	-	-	(5.9)	-	-	(6.8)	(6.8)
Pending Transactions	-	-	0.4	-	-	-	-	-	-	-	-	-	-
Adjusted Balance	\$ 448.8	\$ 448.8	\$ 448.8	\$ 451.2	\$ 451.2	\$ 451.2	\$ 451.2	\$ 451.2	\$ 451.6	\$ 451.6	\$ 451.6	\$ 451.6	\$ 461.4

**EXHIBIT
D**

Legion Insurance Company (In Liquidation)
Notes to Special Purpose Statement of Assets and Liabilities

The Special Purpose Statement of Assets and Liabilities of Legion Insurance Company (In Liquidation) is prepared on a unique financial reporting basis in that the statement does not reflect the effect of the companies' liquidation. The liquidation process will result in the realization of amounts on transfer or disposition of assets and in the satisfaction of liabilities at amounts that may be substantially different than those reflected in the accompanying statement of assets and liabilities. The statement does not include any adjustments that might result from outcomes of the uncertainties related to the future effects of the liquidation and various potential exposures, recoveries or benefits. Specifically, the following facts should be noted in reviewing the accompanying Special Purpose Statement of Assets and Liabilities:

- Estimated priority class of claims from the insurers' estates is set forth in detail in Article V of the Commonwealth of Pennsylvania Insurance Department Act of 1921 at 40 P.S. § 221.44. The classes are:
 - A Administrative expenses
 - B Claims for policy benefits
 - C Federal government claims
 - D Certain employee claims
 - E General creditor claims
 - F State and local government claims
 - G Late filed claims

Note: Administrative expenses include both the guaranty associations' expenses related to administering the claims of the companies in liquidation and the Liquidator's expenses.

- The amounts to be distributed per Act 46 represent funds collected under large deductible policies. These funds will be paid, as outlined in Act 46, to those entities that funded the claim payments;
- The recorded priority class B reflected on the Special Purpose Statement of Assets and Liabilities is based primarily on guaranty association paid claims, POCs and NODs issued, any known case reserves and actuarial estimates of expected losses on an undiscounted basis;
- There is an estimated provision for current guaranty association costs that have been incurred by the estates and for the open claim runoff as of the Claims Bar Date;
- There is no provision for future internal operating costs to execute the activities and responsibilities of the estates in the liquidation process through the date of the final liquidation of the estates;
- There is no provision for potential federal income tax liabilities in future years, if any;
- For classes below (b), liabilities are carried at NOD accepted value, except for NODs issued on a "Class Only" basis, which are carried at \$0.

The Special Purpose Statement of Assets and Liabilities is not intended to be in conformity with and may vary significantly from generally accepted accounting principles and statutory accounting practices for a property and casualty insurance company as prescribed by the National Association of Insurance Commissioners. Certain presentation reclassifications have been made to reflect the estimated priority classes.

EXHIBIT
E

**LEGION INSURANCE COMPANY (IN LIQUIDATION)
VILLANOVA INSURANCE COMPANY (IN LIQUIDATION)
COMBINED EXPENSE ANALYSIS BY ACCOUNT
December 31, 2015 ACTUAL vs BUDGET
(\$ In Thousands)**

	Year to Date			2015 Actual vs 2015 Budget		2015 Actual vs 2014 Actual		
	2015 Actual	% of Total Operating	2015 Budget	2014 Actual	Variance	Percent Variance	Variance	Percent Variance
Full Time	33.5		33	61.5	(0.5)	-1.5%	28.0	45.5%
BPO	-		-	-	-	0.0%	0	n/a
Contractor Help	1		1	2	-	0.0%	1	50.0%
Total Full time Employee Equivalents	34.5		34	63.5	(0.5)	-1.5%	29.0	45.7%
General & Administrative Expenses								
Labor, Benefits, & Payroll Taxes:								
Labor - Internal & External	\$ 8,888		\$ 11,391				\$ 2,503	22.0%
Benefits & Payroll Taxes	1,633		1,910				277	14.5%
Total Labor, Benefits, and Payroll Taxes	10,521	75.5%	11,445	13,301	924	8.1%	2,780	20.9%
Occupancy	943	6.8%	979	1,022	36	3.7%	79	7.7%
Equipment	555	4.0%	839	2,289	284	33.9%	1,734	75.7%
Legal Fees and Expenses	310	2.2%	400	386	90	22.6%	76	19.7%
Professional Services								
Actuarial	9	0.1%	50	112	41	82.5%	103	92.2%
Reinsurance	6 *	0.1%	19	33	13	70.3%	27	82.8%
Other	125	0.9%	124	121	(1)	-0.5%	(4)	-2.9%
IT Services	535	3.8%	600	471	65	10.8%	(64)	-13.6%
Liquidator Costs	469	3.3%	450	459	(19)	-4.2%	(10)	-2.3%
Other	466	3.3%	1,003	1,110	537	53.5%	644	58.0%
Total Expenses	13,939	100.0%	15,909	19,304	1,971	12.4%	5,365	27.8%
Revenue for Collecting Large Deductible Recoveries as Provided by PA Statute Act 46 Act 46 Collection	(339)		-	-	339	n/a	339	n/a
Total Revenue	(339)		-	-	339	n/a	339	n/a
Net Operating Expenses	13,599		\$ 15,909	\$ 19,304	\$ 2,310	14.5%	\$ 5,704	29.5%
Federal Income Taxes - Prior Year Paid	1,833							
Federal Income Taxes - Current Year Accrued	3,400							
Total Net Combined Expenses	\$ 18,832							

*Excludes \$1,175.4K of Reinsurance Collection Expense, netted directly against Reinsurance Collections

EXHIBIT

F

Classification	VENDOR NAME	Services Provided	2015 Total
Legal Fees and Expenses	DIJANE MORRIS LLP	General Collection Litigation	203,920
	LEXISNEXIS	Legal Research Fees	4,045
	PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP	General Litigation and Liquidation Advice	6,094
	PRICewaterHOUSE COOPERS LLP	Actuarial Arbitration Support	20,290
	DANIEL STERN, REFEREE	Referee Fees	4,218
	WEST PUBLISHING CORPORATION	Legal Research Fees	34,175
	WILLIAM J. MANSFIELD, INC.	Legal Advertising Services	16,094
Total Legal Fees and Expenses Paid			288,836
Change in Legal Fees and Expenses accrual and other non-cash transactions			20,725
Total Legal Fees and Expenses Incurred			309,561

Legion Insurance Company (In Liquidation)
 Villanova Insurance Company (In Liquidation)
 Legal Fees and Expenses and Professional Services Paid
 January 1, 2015 - December 31, 2015

Classification	VENDOR NAME	Services Provided	2015 Total
Professional Services	ASHDAR PARTNERS, INC.	IT Consulting	245,500
	CITADEL RISK SERVICES UK LIMITED	London Reinsurance Collection Intermediary	4,321
	COMPUTER SCIENCES CORPORATION	Data Processing	327,731
	ERNST & YOUNG LLP	Tax Consulting	60,665
	HODGES ACTUARIAL CONSULTING LLC	Actuarial Services	8,915
	JOHNSON LAMBERT & COMPANY LLP	Audit Services	45,375
	MARCUM LLP	Human Resources Consulting	18,500
	Aggregate Amount for Total Vendor Payments Under \$1,000	General Professional Fees	63
Total Professional Services Paid			711,070
Change in Professional Services accrual and other non-cash transactions			(36,489)
Total Professional Services Incurred			674,581
Total Legal Fees and Expenses and Professional Services Incurred			984,142

* All expenses above are gross before any allocation among Legion Insurance Company (In Liquidation), Villanova Insurance Company (In Liquidation)

EXHIBIT
G

Legion Insurance Company (In Liquidation)
Reinsurance Recoverables Due or Billable, Net
December 31, 2015

<u>Reinsurer</u>	<u>Amount</u>
QBE REINSURANCE CORPORATION	\$ 262,803
PXRE REINSURANCE COMPANY	107,966
GEN PROFESSIONAL INDEMNITY LTD	36,727
TOTAL REINSURANCE RECOVERABLES DUE OR BILLABLE, NET	<u>\$ 407,496</u>

**EXHIBIT
H**

Legion Insurance Company (in Liquidation)
Guaranty Fund Claim Overview Report
As of September 30, 2015 as reported through December 31, 2015

State	GA	Number			B - Level Paid Losses		B- Level Known Case Reserves
		Number Files Assigned	Files Complete	Number Files outstanding	A- Level Paid Admin Exp	and Loss Adj Expenses	
AK	354	40	40	-	\$ 23,458	\$ 1,851,786	\$ -
AL	301	596	495	101	4,678,622	31,620,089	33,612,555
AR	303	244	238	6	249,998	3,333,222	667,741
AZ	402	82	82	-	527,432	1,156,249	-
AZ	302	354	311	43	1,407,839	9,984,815	8,361,863
CA	360	41,029	38,871	2,158	84,939,171	576,765,273	168,997,050
CO	305	394	386	8	942,549	10,557,868	3,174,199
CT	306	1,394	1,379	15	4,110,067	28,763,792	5,078,277
DC	308	51	46	5	380,009	1,846,572	1,111,671
DE	307	113	107	6	1,130,650	3,482,175	2,524,392
FL	409	682	677	5	1,485,395	28,084,299	11,538
FL	309	757	755	2	2,108,739	54,108,189	371,934
GA	310	3,049	3,030	19	6,854,616	80,133,871	24,749,840
HI	352	44	42	2	159,813	1,640,347	95,912
IA	314	135	131	4	376,545	2,399,567	296,704
ID	311	70	65	5	128,968	1,405,674	314,527
IL	312	1,883	1,869	14	6,143,599	37,937,484	10,968,702
IN	313	198	196	2	694,233	2,562,130	13,381
KS	315	280	275	5	644,620	10,861,971	2,564,008
KY	316	442	343	99	1,392,673	14,313,684	15,531,052
LA	317	294	286	8	796,555	8,613,636	788,672
MA	320	5,648	5,582	66	9,049,979	41,854,663	14,238,282
MD	319	369	349	20	2,917,805	8,707,375	2,510,810
ME	318	264	261	3	794,463	2,920,290	1,816,719
MI	321	639	630	9	2,014,825	20,779,172	2,957,246
MN	322	196	181	15	479,254	4,363,759	996,883
MO	324	655	647	8	1,183,607	10,864,395	6,831,759
MS	323	1,368	1,294	74	4,250,732	43,473,881	18,880,707
MT	325	99	85	14	634,063	3,492,629	3,136,558
NC	332	1,475	1,454	21	3,637,035	34,977,583	6,320,382
ND	333	7	7	-	84,757	416,975	-
NE	326	113	110	3	441,615	3,303,944	4,502,306
NH	328	550	537	13	972,161	4,623,304	2,524,864
NJ	429	1,336	1,336	-	1,562,585	37,007,431	-
NJ	329	1,848	1,769	79	2,582,291	56,525,058	22,941,197
NM	330	97	90	7	415,283	2,646,752	2,015,738
NV	327	1,225	1,222	3	2,244,485	9,756,231	1,130,776
NY	431	5,274	5,239	35	0	103,028,040	2,449,778
NY	331	2,754	2,480	274	36,181,550	95,041,543	69,899,244
OH	334	113	113	-	796,742	1,637,666	-
OK	335	706	692	14	2,075,210	12,787,938	4,822,143
PA	437	762	759	3	951,338	13,721,786	173,744
PA	337	962	906	56	2,817,012	56,553,717	18,271,871
RI	338	263	261	2	503,343	3,679,731	208,793
SC	339	1,448	1,396	52	2,797,900	37,135,350	12,544,627
SD	340	32	29	3	81,626	372,985	251,274
TN	341	1,369	999	370	4,514,552	36,319,722	15,011,533
TX	342	2,235	2,154	81	4,057,977	39,104,691	12,158,813
UT	343	68	63	5	211,632	981,936	45,364
VA	345	629	585	44	2,568,171	22,857,559	37,383,559
VT	344	305	298	7	567,798	5,352,447	1,676,793
WA	346	79	79	-	126,238	718,121	-
WI	348	184	182	2	635,021	4,854,047	205,396
WV	347	37	37	-	239,041	1,097,509	-
WY	349	10	8	2	38,417	867,468	392,826
NOLHGA	370	424	424	-	1,803,465	2,786,023	-
		85,674	81,882	3,792	\$ 213,407,523	\$ 1,636,034,412	\$ 545,534,003

EXHIBIT

I

Legion Insurance Company (In Liquidation)
Proofs of Claim Statistics
Inception to Date December 31, 2015

Class Descriptions	Total # of POC Claims Received *	# of POC Claims Received After 6/30/05	# of NODs Issued	# of NODs Accepted	Allowed Amounts on Accepted NODs	# of NODs Approved for Distribution	Allowed Amounts on NODs Approved for Distribution
A - Administrative Expenses	1,164	35	1,110	1,107	\$ 0	1,106	\$ 0
B - PolicyHolder Claims	14,839	1,051	14,772	14,766	57,526,474	14,701	56,572,944
C - Federal Government	2	1	1	1	930,649	1	930,649
D- Employees	-	-	-	-	-	-	-
E - General Credit/UEP	19,053	376	19,053	19,052	89,475,345	19,050	89,475,345
F- State/Local Government	121	5	121	121	26,905,367	121	26,905,367
G- Late Filed/Subrogation	6,300	1,046	6,298	6,296	3,415,000	6,289	3,307,600
H - Surplus, Prem. Refunds	-	-	-	-	-	-	-
I- Shareholders/Other Owners	-	-	-	-	-	-	-
No Class	-	-	-	-	-	-	-
TOTALS	41,479	2,514	41,355	41,343	\$ 178,252,835	41,268	\$ 177,191,905

* Includes new suffixes set-up on POCs received prior to the Claims Bar Date of 7/28/2015. A POC may have more than one suffix to address multiple claims presented in a single POC. A NOD is issued for each valid suffix.

EXHIBIT

J

Legion Insurance Company (In Liquidation)
 Proofs of Claim Statistics
 Quarter to Date December 31, 2015

Class Descriptions	Total # of POC Claims Received *	# of NODs Issued	# of NODs Accepted	Allowed Amounts on Accepted NODs	# of NODs Approved for Distribution	Allowed Amounts on NODs Approved for Distribution
A - Administrative Expenses	-	2	1	\$ 0	-	\$ 0
B - PolicyHolder Claims	7	21	49	953,193	-	-
C - Federal Government	1	-	-	-	-	-
D- Employees	-	-	-	-	-	-
E - General Credit/UEP	-	-	1	0	-	-
F- State/Local Government	-	-	-	-	-	-
G- Late Filed/Subrogation **	(1)	1	5	7,400	-	-
H - Surplus, Prem. Refunds	-	-	-	-	-	-
I- Shareholders/Other Owners	-	-	-	-	-	-
No Class	-	-	-	-	-	-
TOTALS	7	24	56	\$ 960,593	-	\$ 0

* Includes new suffixes set-up on POCs received prior to the Claims Bar Date of 7/28/2015. A POC may have more than one suffix to address multiple claims presented in a single POC. A NOD is issued for each valid suffix.

** Class "G" negative amount represents a requirement to issue an amended NOD for the purpose of reclassifying the claim to Class "C".

EXHIBIT
K

Legion Insurance Company (In Liquidation)
 Notice of Determination Objection Statistics
 Inception to Date December 31, 2015

Class Descriptions	Total # NOD Objections Received	Allowed Amounts on Objections	# of Objections Resolved	Allowed Amounts on Objections Resolved
A - Administrative Expenses	9	\$ 0	8	\$ 0
B - PolicyHolder Claims	342	2,564,839	341	2,564,839
C - Federal Government	-	-	-	-
D- Employees	-	-	-	-
E - General Credit/UEP	519	14,451,949	518	14,451,949
F- State/Local Government	4	11,971	4	11,971
G- Late Filed/Subrogation	68	811,494	67	811,494
H - Surplus, Prem. Refunds	-	-	-	-
I- Shareholders/Other Owners	-	-	-	-
TOTALS	942	\$ 17,840,254	938	\$ 17,840,254

Class Descriptions	Total Objections Unresolved	Allowed Amounts on Objections Unresolved	# of Objections Unresolved Assigned to Referees	Allowed Amounts on Objections Unresolved Assigned to Referees	# of Objections Unresolved Not Assigned to Referees	Allowed Amounts on Objections Unresolved Not Assigned to Referees
A - Administrative Expenses	1	\$ 0	1	\$ 0	-	\$ 0
B - PolicyHolder Claims	1	0	1	0	-	-
C - Federal Government	-	-	-	-	-	-
D- Employees	-	-	-	-	-	-
E - General Credit/UEP	1	0	1	0	-	-
F- State/Local Government	-	-	-	-	-	-
G- Late Filed/Subrogation	1	0	-	-	1	0
H - Surplus, Prem. Refunds	-	-	-	-	-	-
I- Shareholders/Other Owners	-	-	-	-	-	-
TOTALS	4	\$ 0	3	\$ 0	1	\$ 0