

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

**APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS  
ON LEGION INSURANCE COMPANY CLAIMS UNDISPUTED AND RESOLVED  
FROM JANUARY 1, 2018 TO MAY 31, 2018**

Applicant, Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator (“Liquidator”) of Legion Insurance Company (“Legion”), in compliance with and 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 Legion Insurance Company Claims Undisputed and Resolved from January 1, 2018 to May 31, 2018 (the “Report” as more fully described below). In support of the Application, the Liquidator avers the following:

## BACKGROUND

1. The Applicant Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of Legion pursuant to this Court's Order dated July 25, 2003 ("Liquidation Order"), under the relevant provisions of the Insurance Department Act of 1921, 40 P.S. §§ 221.1 - 221.63 (the "Act").

2. The Liquidation Order provided that “in addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation, where Legion has its principal place of business, and in the national edition of

the *Wall Street Journal*, 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, ¶18. By the end of the third quarter of 2003, the Liquidator provided Proof of Claim ("POC") forms and instructions to policyholders and creditors of Legion as identified by the books and records of Legion. Additionally, since the fourth quarter of 2004, the POC forms and instructions have been available on the Legion Documents website at [www.legioninsurance.com](http://www.legioninsurance.com).

3. On July 30, 2012, the Court implemented new rules to govern insurance rehabilitations and liquidations and all other matters under Article V of the Act. See Pa. R.A.P. 3771 - 3784 (the "New Rules"). The New Rules require that the Liquidator present to the Court a report of the Liquidator's recommendations with respect to each Proof of Claim. The Report shall include the following: the claimant's name, address, class, and the particulars of the claim, including whether the value of the claim was determined without objection (hereinafter referred to as "Undisputed Claims") or after settlement or Court resolution of an objection (hereinafter referred to as "Resolved Claims").<sup>1</sup> Additionally, the Report shall include the amount of the claim finally recommended. See Pa. R.A.P. 3784(a); See also 40 P.S. § 221.45(a).

4. The New Rules further provide that "[n]o claim shall be paid, in part or in whole, until the Report is approved by the Court." Pa. R.A.P. 3784(a).

---

<sup>1</sup>Pursuant to an earlier Claims Order, earlier reports did not include NOD objections resolved through the referee process since they were approved by the Court through individual orders. Effective July 1, 2012, such NOD objections are included in the Report in accordance with the new Commonwealth Court Rule 3784(a).

**REPORT AND RECOMMENDATIONS ON CLAIMS  
UNDISPUTED AND RESOLVED AS OF MAY 31, 2018**

5. The Liquidator's Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved from January 1, 2018 to May 31, 2018,<sup>2</sup> 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.<sup>3</sup>

6. The first part of the Report, which addresses claims that were "determined without objection", reflects NODs issued by the Liquidator for which the objection period expired on or before May 31, 2018. The total number of Undisputed Claims is 1 with an allowed amount of \$0.00. The list of Undisputed Claims filed against the assets of the Legion estate is attached hereto as Exhibit A.

7. The second part of the Report, which addresses claims that were "determined after settlement of an objection" or through the Court/Referee process, is a list of the disputed claims to which objections were filed and resolved on or before May 31, 2018. The total number of Resolved Claims is 0, with an allowed amount of \$0.00. The list of Resolved Claims is attached hereto as Exhibit B.

8. In accordance with the New Rules, the Liquidator has included NOD objections that have been resolved through the Court/Referee process, if any, as well as those resolved through settlement by the Liquidator and the claimants. See Pa. R.A.P. 3784(a). Exhibit B now includes an additional column entitled "Final Resolution". The Final Resolution column will be

---

<sup>2</sup>The Liquidator has filed twenty-four previous Reports and Recommendations on Legion Insurance Company Claims Undisputed and Resolved with the latest one being approved by Court order dated May 15, 2018.

<sup>3</sup> If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as \$0.

populated with a numeric code to identify the method of resolution. As applicable, the codes utilized are described as:

- 1 – Withdrawn (original NOD maintained)
- 2 – Settlement
- 3 – Referee’s Recommended Decision with no exceptions filed – sustained by final Court Order
- 4 – Referee’s Recommended Decision with no exceptions filed – altered by final Court Order
- 5 – Referee’s Recommended Decision with exceptions filed – sustained by final Court Order
- 6 – Referee’s Recommended Decision with exceptions filed – altered by final Court Order
- 7 – Supreme Court Order
- 8 – Court Dismissed. No Referee Assigned.

9. As set forth in Exhibits A and B, the Liquidator respectfully submits her recommendations for a total of 1 claim with a total allowed amount of \$0.00 in accordance with and pursuant to Pa. R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court’s approval.

10. In fulfilling her 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.

11. 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 she has determined for the reported claims are appropriate, fair and equitable and consistent with the relevant provisions of the Act and the New Rules. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the Legion estate, policyholders, claimants and other creditors.

12. 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. In accordance with Rule 3784(a), upon approval of the claims listed in the Report the claimants or their lawful assignees will become eligible to receive a *pro rata* distribution of assets from the estate of Legion if a distribution is made to the claimant's class of creditors.

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.

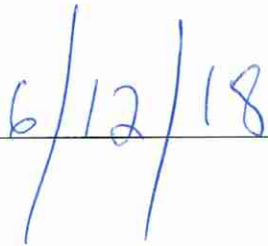
Respectfully submitted,



Preston M. Buckman (I.D. No. 57570)  
Insurance Department Counsel  
Governor's Office of General Counsel  
Office of Liquidations, Rehabilitations  
and Special Funds  
901 North 7<sup>th</sup> Street  
Harrisburg, PA 17102  
(717) 787-6009

Counsel for Jessica K. Altman, Insurance  
Commissioner of the Commonwealth of  
Pennsylvania, in her official capacity as  
Statutory Liquidator of Legion Insurance  
Company (In Liquidation)

Dated: \_\_\_\_\_



IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re Legion Insurance Company  
(In Liquidation)

:  
:  
:  
:  
:  
:  
:

Docket No. 1 LEG 2002

VERIFICATION OF ROBERT HABERLE IN SUPPORT OF THE  
APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS  
ON LEGION INSURANCE COMPANY CLAIMS UNDISPUTED AND  
RESOLVED AS OF MAY 31, 2018

I, **ROBERT HABERLE**, hereby depose and state as follows:

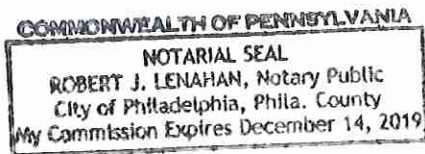
1. I am Chief Liquidation Officer of Legion Insurance Company (In Liquidation) (“the Estate”), and am responsible for overseeing its daily business operations.
2. I have reviewed the Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved as of May 31, 2018 (“the Report”).
3. Based on my knowledge, the claims information included in the Report fairly presents in all material respects the status of Legion Insurance Company Claims Undisputed and Resolved as of May 31, 2018.
4. My certification is made in reasonable reliance on the work of qualified staff and the Estate’s internal procedures for claims operations.
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 HABERLE

Sworn to and subscribed before me  
this 4 th day of June, 2018.

  
NOTARY PUBLIC



# **EXHIBIT A**



Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2018 to 5/31/2018  
As of 5/31/2018 at 10:32 AM

Total Number of Undisputed Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
1	\$0.00	\$0.00	\$0.00

Reference Number: 20cd68d2-6f64-4601-b02c-2a6b201bf6df

# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2018 to 5/31/2018 As of 5/31/2018 at 10:32 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOB Number	Amount Claimed	Amount Allowed	Claim Particulars
U.S. Department of Justice	Sharon C Williams, Trial Attorney U.S. Department of Justice 1100 L Street N.W. Room 10016 Washington, DC 20005	1389135	7/27/2015		C	1389135-1	\$0.00	\$0.00	This Notice of Determination is pursuant to and in accordance with the Release Agreement - attached as Exhibit 1.

# EXHIBIT B

Legion Company (in Liquidation) Resolved Claims Report for 1/1/2018 to 5/31/2018  
As of 5/31/2018 at 10:32 AM

Total Number of Resolved Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
0	\$0.00	\$0.00	\$0.00

Legion Company (in Liquidation) Resolved Claims Report for 1/1/2018 to 5/31/2018  
As of 5/31/2018 at 10:32 AM

Claimant	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
----------	---------	---------------	-------------------	--------------	-------	------------	-------------------	-------------------	-------------------

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

RE: Liquidator's Report and Recommendations on Legion Insurance Company Claims  
Undisputed and Resolved from January 1, 2018 to May 31, 2018

## ORDER

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2018, upon consideration of the Liquidator's Application for Approval of Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved from January 1, 2018 to May 31, 2018 ("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED and the claims listed in the Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved as of January 1, 2018 to May 31, 2018 (“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 under the Order of February 27, 2012 and any subsequent Orders.

MARY HANNAH LEAVITT, President Judge