

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Lincoln General Insurance Company :
in Liquidation :
: No. 1 LIN 2015
:

In Re: Liquidator's Application for Approval of Report and Recommendations on Lincoln General Insurance Company Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019

MEMORANDUM and ORDER

Presently before the Court is the Liquidator's Application for Approval of Report and Recommendations on Lincoln General Insurance Company (Lincoln) Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019 (Application).¹ Specifically, the Liquidator is seeking approval of her resolution of 112 undisputed claims and 4 resolved claims against the Lincoln estate. No responses were filed to the Application.

Pursuant to Pa. R.A.P. 3784(a) and Section 545(a) of the Insurance Department Act of 1921 (Act),² 40 P.S. § 221.45(a), the Liquidator is required to present to the Court a report of the claims against the Lincoln estate along with her recommendations. The report should include the name and address of each claimant, the particulars of the claim, the priority classification assigned, the amount allowed, if any, and whether the claim is resolved. Rule 3784(a); Section 545(a) of the Act. Prior to making her recommendations, the Liquidator is statutorily charged with

¹ Lincoln was placed into liquidation by Order dated November 5, 2015.

² Act of May 17, 1921, P.L. 789. Section 545(a), part of Article V, was added by the Act of December 14, 1977, P.L. 280.

reviewing all claims filed and making further investigation if necessary. Section 545(a) of the Act.

The Liquidator's required report is comprised of two parts, which are attached to her application as Exhibits A and B. According to the Liquidator, Exhibit A addresses claims against the Lincoln estate that were determined and finalized without objection (referred to as "Undisputed Claims"), and the objection period for the included claims has since expired. Exhibit A details 112 Undisputed Claims, with an associated total allowed amount of \$1,356,431.31.

The second part of the report, Exhibit B, addresses "Resolved Claims," which generally include "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[]" Application, ¶ 6. Exhibit B details 4 Resolved Claims, with an associated total allowed amount of \$1,335,000.00.

In support of her recommendations, the Liquidator avers that, "[i]n fulfilling her statutory requirements, [she] 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 Article V." Application, ¶ 8. The Liquidator has further represented that:


[T]he classification and amounts she has determined for the reported claims are appropriate, fair and equitable and consistent with the relevant provisions of Article V. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the Lincoln estate claimants and other creditors.

Id., ¶ 9.

Considering these averments, the absence of any response to the Application, and that the Liquidator is statutorily authorized to “comport, compromise or in any other manner negotiate the amount for which claims will be recommended to the court,” *see* Section 545(a) of the Act, the Court will grant the Application and approve and allow the Undisputed Claims and Resolved Claims as directed in the following order.

AND NOW, this 10th day of February, 2020, the Liquidator’s Application is **GRANTED** as follows:

1. The claims listed in the Undisputed and Resolved Claims Report (Report), comprised of Exhibits A and B, covering the period January 1, 2019 to December 31, 2019, are approved and allowed both as to classification and amount as listed;
2. The Report is incorporated herein by reference;
3. The Claimants listed in the Report or their lawful assignees shall receive a distribution in accordance with Section 544 of the Act, added by the Act of December 14, 1977, P.L. 280, *as amended*, 40 P.S. § 221.44, at the time and in the manner as approved by this Court.



Renée Cohn Jubelirer, Judge

Certified from the Record

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And Order Exit