



Governor's Office  
of General Counsel

COMMONWEALTH OF PENNSYLVANIA  
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Harrisburg, PA 17102

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COMMONWEALTH COURT  
PENNSYLVANIA  
MAR 20 2008 13 24

March 20, 2008

Michael F. Krimmel  
Chief Clerk  
Commonwealth Court  
628 Irvis Building  
Harrisburg, PA 17120-0001

RE: Joel S. Ario, Acting Insurance Commissioner of the Commonwealth of Pennsylvania v. Villanova Insurance Company  
No. 182 M.D. 2002

Dear Mr. Krimmel:

Enclosed for filing please find the original and two hard copies of the Liquidator's Petition to Supplement the Court's January 11, 2006 Claims Procedures Order and the Liquidator's Notice of Filing.

As directed by the Court's Order, we are also enclosing copies of the documents on a computer disk.

Thank you for your courtesies in filing the documents.

Very truly yours,

Preston M. Buckman  
Special Funds Counsel

PMB:mm  
Enclosures

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL S. ARIO  
Acting Insurance Commissioner of the  
Commonwealth of Pennsylvania,

Plaintiff,

v.

VILLANOVA INSURANCE COMPANY

Defendant.

DOCKET NO. 182 MD 2002

**ORDER**

This matter having come before the Court on the Petition of Joel S. Ario, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator ("Liquidator") of Villanova Insurance Company, to Supplement the Court's January 11, 2006 Claims Procedures Order, said Petition is GRANTED. It is further ORDERED that the Court's January 11, 2006 Claims Procedures Order is supplemented as follows and said Order shall apply to all policyholders, insureds, third party claimants and others ("Claimants") for which Notices of Determination ("NODs") have not yet been issued by the Liquidator, excluding Guaranty Associations, and their Proofs of Claim ("POCs")

**A. For All POCs Where Underlying Claim Is Resolved**

1. With respect to those POCs for which the underlying claim has been resolved by the date of this Order, the Claimant shall submit to the Liquidator proof of payment (loss and expense) and full and complete supporting documentation for their POC within 90 days of the Liquidator providing Claimant a copy of the Notice Of Commonwealth Court Order Requiring

Claims Information To Be Submitted (the "Notice"), a copy of the form Notice is attached here to as Exhibit A.

**B. For All POCs Where Underlying Claim is Not Resolved or No Underlying Claim Has Yet Been Asserted**

2. For all POCs where the underlying claim is not resolved as of the date of this Order or where no claim has yet been asserted under the POC filed:

a. The Claimant is required to submit to the Liquidator a full and complete report on the status of the underlying claim with appropriate information and documentation, or advise that no claims have yet been asserted, within 90 days of the Liquidator providing Claimant a copy of the Notice.

b. Thereafter, the Claimant shall submit to the Liquidator full and complete updated information on the status of the underlying claim with supporting documentation, or advise that no claims have yet been asserted, on at least an annual basis unless otherwise directed by the Liquidator.

c. Once the underlying claim is finally resolved, the Claimant must submit to the Liquidator full and complete updated information, including documentation, within 60 days of final resolution.

3. If during the Liquidator's review process, additional information is necessary to complete the evaluation, the Liquidator will request specific documentation or information in writing, and the Claimant must provide the requested information within 60 days or respond with a specific date by when the information will be provided.

4. If the Claimant's POC includes more than one claim, the above requirements apply to each individual claim represented by the POC.

**C. All Other POCs**

5. For all other POCs not covered by Sections A or B of this Order, if during the Liquidator's review process, additional information is necessary to complete the evaluation, the Liquidator will request specific documentation or information in writing along with a copy of this Order, and the Claimant must provide the requested information within 60 days or respond with a specific date by when the information will be provided.

**D. Information Required**

6. Appropriate information shall include, but is not limited to, settlement agreements, judgments, and proof of all payments made together with all other documentation that the Liquidator determines is reasonably necessary to evaluate and process the POC and issue an NOD. For those policies with a deductible provision or a self insured retention or for net worth insureds, appropriate information and documentation will also include loss runs detailing current information on all open claims and, if applicable, the status of their deductible or retained liability. Current information shall include, but not be limited to, the following for all open claims: the policy number and effective date; Villanova claim number; Claimant name; type of loss; accident description; paid to date information for indemnity/bodily injury; medical/property damage; expenses; outstanding loss reserve; and total incurred amounts. If an underlying claim is not involved then current information shall include, but not be limited to, the following information and documentation: underlying contracts or agreements, outstanding invoices, amounts paid to date from any sources and descriptions of any services or materials provided.

**E. Failure to Provide Information**

7. In the event that a Claimant fails to provide the information specified in paragraphs 1 through 6 of this Order or any other information reasonably requested by the

Liquidator, the Liquidator may: (a) issue a final demand for information in the name of this Court to require the production, as set forth in Section 221.38(b) of the Act, of any books, papers, records or other documents which he deems necessary to the evaluation and determination of a claim; and (b) in each instance where a Claimant fails to timely respond to the final demand for information the Liquidator may subordinate the Claimant's claim to priority class (g)(2) and/or assign a zero value to Claimant's claim when appropriate for the failure to comply with the requirements for submitting a duly filed claim as required pursuant to 40 P.S. §§221.37 and 221.38(a) of the Act.

BY THE COURT:

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Mary Hannah Leavitt, Judge

**EXHIBIT**  
**A**

**NOTICE OF COMMONWEALTH COURT ORDER REQUIRING  
CLAIMS INFORMATION TO BE SUBMITTED**

The Liquidator of Legion Insurance Company and Villanova Insurance Company filed a petition with the Commonwealth Court seeking an Order which would require all claimants who have not yet received a Notice of Determination (NOD) to promptly and regularly submit information relevant to their claim. Without the claim information, the Liquidator is not in a position to evaluate claims and, where appropriate, issue NODs. Moreover, the information will materially assist in determining the feasibility of a distribution to claimants. The Commonwealth Court has approved the petition and issued an Order on \_\_\_\_\_ requiring the submission of information ("Claims Information Order" or "Order").

Enclosed in this package of information are the following:

- A copy of the Claims Information Order from the Commonwealth Court which requires claim information to be submitted to the Liquidator for a Proof of Claim (POC) for which a NOD has not yet been issued. Please read this information carefully and note the time frames for submitting information.
- A list of Frequently Asked Questions and Answers which explains what is required by the Order.
- A list of the POCs which you have filed and for which no NOD(s) has been issued. If you find that any of this information is incorrect, please advise the Liquidator as indicated in the list of Frequently Asked Questions and Answers. Remember to include the relevant POC number in any correspondence with the Liquidator, Legion Insurance Company (In Liquidation) or Villanova Insurance Company (In Liquidation).

If you are an attorney for a claimant, you may be receiving this information on behalf of your client.

All information submitted in connection with the enclosed Order should be mailed using the return address label provided on the address page of this package. If you will be mailing more than one package or expect to provide additional information in the future, please mail the information to:

Proof of Claim Department, Statutory Liquidator of Legion Insurance  
Company, One Logan Square, Suite 1400, Philadelphia, PA 19103

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL S. ARIO  
Acting Insurance Commissioner of the  
Commonwealth of Pennsylvania,

Plaintiff,

v.

VILLANOVA INSURANCE COMPANY

Defendant.

DOCKET NO. 182 MD 2002

**LIQUIDATOR'S PETITION TO SUPPLEMENT  
THE COURT'S JANUARY 11, 2006 CLAIMS PROCEDURES ORDER**

Petitioner Joel S. Ario<sup>1</sup>, Acting Insurance Commissioner of the Commonwealth of Pennsylvania (the "Commissioner"), in his official capacity as Statutory Liquidator (the "Liquidator") of Villanova Insurance Company ("Villanova or Estate"), respectfully requests that this Court approve the attached Proposed Order supplementing the Court's January 11, 2006 Claims Procedures Order. In support of this Petition, the Liquidator avers as follows:

**I. BACKGROUND**

**A. The Liquidation of Villanova and Appointment of the Insurance Commissioner as Liquidator**

1. On March 28, 2002, this Court entered an Order of Rehabilitation with respect to Villanova pursuant to Article V of the Pennsylvania Insurance Department Act, 40 P.S. §§221.1 - 221.63 ("the Act").

2. This Court subsequently terminated the rehabilitation of Villanova and, by Order dated July 25, 2003, declared Villanova to be insolvent and issued an Order of Liquidation

pursuant to 40 P.S. §§221.18 and 221.20 (the "Liquidation Order"). The Court appointed Petitioner as Liquidator of Villanova.

3. The Act expressly authorizes the Liquidator to exercise all powers not inconsistent with the provisions of the Act. 40 P.S. §221.23(22). Furthermore, it empowers the Liquidator, without limitation, to "act as may be necessary or expedient for the accomplishment of or in the aid of the purpose of liquidation." *See* 40 P.S. §221.23(23).

**B. Claim Procedures Under the Act,  
the Liquidation Order and the Claims Procedures Order**

4. The Act, the Court's Liquidation Order and the Court's January 11, 2006 Order<sup>2</sup> regarding Claims Procedures ("Claims Procedures Order") specify the procedures, requirements and deadline for the submission of claims by creditors against Villanova.

5. The Act contemplates that all claims against an insurer be submitted through a proof of claim ("POC") and sets forth the requirements for filing and administering proofs of claim during the liquidation of the insurer. 40 P.S. §§221.37, 221.38 and 221.44.

6. Pursuant to the Act, the Liquidator is required to and did provide notice to policyholders and potential claimants that they should file "their claims together with proper proofs on or before a date the liquidator shall specify in the notice." *See* 40 P.S. §221.24.

7. In accordance with the Act, the Liquidator distributed to potential creditors of Villanova a POC form and related information which policyholders and other claimants were required to complete and sign in order to submit a claim against Villanova. Between September, 2003 and the end of May, 2004, the Liquidator mailed more than 500,000 POC forms to policyholders and potential claimants.

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<sup>1</sup> M. Diane Koken resigned as the Insurance Commissioner of the Commonwealth of Pennsylvania on February 19, 2007. Joel S. Ario is now Acting Insurance Commissioner.

<sup>2</sup> An identical Order was also entered for Legion Insurance Company.

8. With the exception of claims for cash surrender values or other investment values in life insurance and annuities, Section 537 of the Act mandates that proof of all claims shall be filed with the Liquidator in the form required by Section 538 of the Act and filed on or before the last day for filing specified in the notice given to potential claimants. 40 P.S. §§221.37(a), 221.38(a) and 221.24; Liquidation Order ¶16. All claims against the estate of Villanova, together with proper proof thereof shall be filed on or before June 30, 2005 (the "Claim Filing Deadline"). Therefore, all duly filed claims in the Villanova liquidation proceeding must comply with the requirements of Section 538(a) and be filed on or before the Claim Filing Deadline.

9. Section 538(a) of the Act mandates that a duly filed POC shall consist of a statement signed by the claimant that includes all of the following that are applicable: "the particulars of the claim including the consideration given for it;" "the identity and amount of the security on the claim;" "the payments made on the debt, if any;" "that the sum claimed is justly owing and that there is no setoff, counterclaim or defense to the claim;" "any right of priority of payment or other specific right asserted by the claimants;" "a copy of the written instrument which is the foundation of the claim;" "in the case of any third party claim based on a liability policy issued by the insurer, a conditional release of the insured pursuant to Section 540(a);" and "the name and address of the claimant and the attorney who represents him, if any." 40 P.S. §221.38(a). Section 538(a) further provides that "[n]o claim need be considered or allowed if it does not contain all the foregoing information which may be applicable. *Id.* The Liquidator may require that a prescribed form be used, and may require that other information and documents be included." *Id.*

10. Pursuant to the Act, the Liquidator is required to review the claims duly filed in the liquidation proceeding and make such further investigation as he deems necessary. *See* 40 P.S. §221.45(a). To assist the Liquidator in his review of duly filed claims, the Liquidator “may request the claimant to present information or evidence supplementary to that required under subsection (a) and may take testimony under oath, require production of affidavits or depositions, or otherwise obtain additional information or evidence.” 40 P.S. §221.38(b).<sup>3</sup> The Claims Procedures Order also provides that “[t]he Liquidator shall determine that information sufficient to make a final determination on a claim has been provided and, if not, shall request additional information”.

11. Section 539(c) of the Act affords the Liquidator the discretion to allow a claim “even if contingent, if it is filed in accordance with section 537(b).” 40 P.S. §221.39(c). Section 537(b) allows the Liquidator to “permit a claimant making a late filing to share in distributions, ... as if he were not late ...” upon a showing of good cause. 40 P.S. §221.37(b). As set forth in the Act, good cause includes “the existence of the claim was not known to the claimant and that he filed his claim as promptly thereafter as reasonably possible after learning of it” and “that a claim was contingent and became absolute, and was filed as soon as reasonably possible after it became absolute.” *See* 40 P.S. 221.37(b)(1) and (5).

12. As set forth in Section 546 of the Act, [u]nder the direction of the Court, the Liquidator is required to “. . . pay distributions in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the

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<sup>3</sup> Additionally, Section 523(5), authorizes the Liquidator to hold hearings, to subpoena witnesses, to compel their attendance, to administer oaths, to examine any person under oath, and to compel any person to subscribe to his testimony after it has been correctly reduced to writing, and in connection therewith to require the production of any books, papers, records or other documents which he deems relevant to the inquiry.

liquidation and the protection of unliquidated and undetermined claims, including third party claims." 40 P.S. §221.46.

C. **Many Claimants Have Failed To Comply With The Filing Requirements Of The Act**

13. Since the commencement of the Villanova liquidation in July 2003 through February 29, 2008, more than 41,000<sup>4</sup> POCs were submitted to Villanova and more than 19,500<sup>5</sup> of those POCs were submitted by policyholders or third party claimants that may be in the class (b) priority. Especially within the class (b) claims, there are many claimants that have filed their claims on or before June 30, 2005 but failed to provide the supporting information to have a duly filed claim in this liquidation proceeding as required by Section 538(a).

14. Currently, there are in excess of 5,800 contingent and unliquidated POCs<sup>6</sup> which include both: (a) POCs where the claimant has notified Villanova that there may be a claim, but has not yet identified any particular claim; and (b) POCs where the claimant has identified a specific claim, but the underlying claim has not yet been resolved or proper documentation has not been provided to Villanova.

15. In addition, there are in excess of 19,700 POCs that are in various stages of the review and evaluation process.

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<sup>4</sup> Numbers cited in this Petition are combined numbers of Villanova Insurance Company and Legion Insurance Company ("Legion"). A separate Petition is being filed simultaneously in the Legion Insurance Company matter utilizing the same combined numbers.

<sup>5</sup> It is anticipated that a percentage of late filed claims may be deemed timely and moved to class (b) thereby increasing the number of class (b) priority POCs by 500 or so POCs.

<sup>6</sup> Villanova wrote a variety of long tail lines of business, including: (a) workers compensation; (b) medical malpractice; (c) construction defect; (d) errors & omissions; (e) directors & officers liability and (f) professional liability. For reasons unrelated to the Villanova receivership, but based rather on the nature of the insurance coverage written by Villanova and the claims under those policies, it will be many years before some of these long-tail underlying claims are finally resolved.

16. To encourage policyholders, insureds, third party claimants, net worth insureds, vendors and others ("Claimants"), excluding GAs, to provide the information required by the Act, the Liquidator has taken, and continues to take, certain steps to request additional information from the claimant, or other sources, as appropriate. In 2006, several hundred letters were sent to Claimants requesting information. Again in 2007, the Liquidator contacted several hundred of the largest Claimants with multiple POCs to request data. In both cases, the response was very limited. With respect to these requests regarding some of those claims, the claimants are simply slow in responding or non-responsive altogether.

17. While precise data is not available, the results of all of the Liquidator's efforts to contact the Claimants to obtain the required information lead the Liquidator to believe that with respect to a significant number of the contingent and unliquidated POCs, as well as the POCs under review, the claims are either already resolved, or a resolution is likely in the future; yet the Claimant has not submitted current information regarding the status of their claims to the Liquidator despite repeated requests.

18. Similarly, for any claims under policies that contain a deductible provision or a self-insured retention, the Liquidator must have information on all open claims within the deductible amount or self-insured retention in order to evaluate when liability may attach to the Estate. The same is similar for net worth insureds that are handling their own claims and not through a GA.

19. The Liquidator believes that immediate information could be provided regarding a) claims that have already been resolved by settlement or otherwise; b) claims that are in the process of settlement or judicial review; or c) claims that are unresolved but for which the claimant has information relative to potential exposure. Without the information, the Liquidator

is not in a position to evaluate the claims, determine coverage, reasonably estimate the liabilities of the Estate and, where appropriate, issue NODs. Further, the lack of information hinders the Liquidator's ability to prepare related reinsurance billings and determine the future potential exposure data to reinsurers.

20. Moreover, information on unresolved claims will materially assist in the actuarial review that is a necessary first step for determining the feasibility of a potential distribution by increasing the degree of certainty regarding the range of ultimate Estate liabilities, and future reinsurance recoverable amounts.

21. The Liquidator, the Court, the claimants and the public share a common interest in efficiently and economically resolving all claims and distributing the assets of Villanova as expeditiously as possible. The Liquidator is evaluating the feasibility and timing of an interim distribution to claimants other than Guaranty Associations ("GAs")<sup>7</sup>, and believes that the potential of such a distribution will be an additional step by the Liquidator toward encouraging all claimants wishing to participate to be forthcoming in providing the necessary information required by the Act to document and support their claims.

22. To evaluate the feasibility and amount of such an interim distribution, however, the Liquidator requires an actuarial analysis of post-liquidation data. This analysis will be based on data from the GAs, and current POC and NOD data, as well as Villanova pre-liquidation reserves. Among several complicating factors in completing this review is the large number of claims where the Liquidator has not been provided information or supporting documentation

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<sup>7</sup> Under 40 P.S. § 221.36, the Liquidator may distribute funds to the Guaranty Associations ("GAs") in the form of "early access" to assist the GAs in their efforts to fund covered claims and reimburse them for payments made. These distributions are subject to refunding agreements, whereby the GAs agree to refund amounts to the extent required to ensure pro rata distribution to all claimants at the same priority levels. Through this early access mechanism, Villanova, along with Legion, has distributed over \$150 million in cash advances to GAs to assist them in fulfilling their obligation to pay certain covered claims.

concerning the claims. As a result, the primary conclusions expected from the study are conservative estimates of priority class (b) exposures with high confidence range levels. These actuarial conclusions will be used to support a recommendation to the Court for an interim partial distribution that will "assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims."<sup>8</sup>

23. However, distribution to claimants, other than early access to GAs who are statutorily and contractually obligated to refund overpayments, is difficult to accomplish without the information required in Section 538(a) which will provide a reasonable degree of certainty regarding the range of ultimate Estate liabilities, and provide a reasonable degree of certainty regarding future reinsurance recoverable amounts.

24. Therefore, to efficiently and economically administer this liquidation proceeding to its ultimate resolution and final distribution, the Liquidator believes that it is in the best interests of the estate, its policyholders, creditors and the public to seek the Court's assistance to supplement the Liquidator's efforts to require Claimants<sup>9</sup> to comply with the filing requirements for a duly filed claim as set forth in the Act. The Liquidator respectfully requests the Court's assistance in eliciting the information as required by the Act from Claimants as proposed below.

## **II. PROPOSED SUPPLEMENT TO JANUARY 11, 2006 CLAIM PROCEDURES ORDER**

25. To encourage claimants to comply with 40 P.S. §221.38(a) and provide complete information on underlying claims, the Liquidator recommends and respectfully requests that the

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<sup>8</sup> Based on the facts currently available, the Liquidator believes that in several years, the Liquidator will be in a position to recommend an interim distribution to all Class (b) claimants whose claim was not paid in full by a GA and whose claim has been allowed in amount and priority by the Liquidator and approved by the Court for distribution.

Court issue a supplement to its Claims Procedures Order that shall apply to all Claimants and their POCs for which NODs have not yet been issued by the Liquidator as follows.

**A. For All POCs Where Underlying Claim Is Resolved**

26. With respect to those POCs for which the underlying claim has been resolved by the date of the Order implementing this Petition, the Claimant shall submit to the Liquidator proof of payment (loss and expense) and full and complete supporting documentation for their POC within 90 days of the Liquidator providing Claimant a copy of the Notice Of Commonwealth Court Order Requiring Claims Information To Be Submitted (the "Notice"). A copy of the form Notice is attached here to as Exhibit A.

**B. For All POCs Where Underlying Claim is Not Resolved or No Underlying Claim Has Yet Been Asserted**

27. For all POCs where the underlying claim is not resolved as of the date of the Order implementing this Petition or where no claims have yet been asserted under the POC filed:

a. The Claimant is required to submit to the Liquidator a full and complete report on the status of the underlying claim with appropriate information and documentation, or advise that no claims have yet been asserted, within 90 days of the Liquidator providing Claimant a copy of the Notice.

b. Thereafter, the Claimant shall submit to the Liquidator full and complete updated information on the status of the underlying claim with supporting documentation, or advise that no claims have yet been asserted, on at least an annual basis unless otherwise directed by the Liquidator.

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<sup>9</sup> Because the Liquidator is in constant contact with the GAs and regularly receives data transmissions and quarterly reports from them, the GAs are not included in this request.

c. Once the underlying claim is finally resolved, the Claimant must submit to the Liquidator full and complete updated information, including documentation, within 60 days of final resolution.

28. If during the Liquidator's review process, additional information is necessary to complete the evaluation, the Liquidator will request specific documentation or information in writing, and the Claimant must provide the requested information within 60 days or respond with a specific date by when the information will be provided.

29. If the Claimant's POC includes more than one claim, the above requirements apply to each individual claim represented by the POC.

**C. All Other POCs**

30. For all other POCs not covered or included above, if during the Liquidator's review process, additional information is necessary to complete the evaluation, the Liquidator will request specific documentation or information in writing, and the Claimant must provide the requested information within 60 days or respond with a specific date by when the information will be provided.

**D. Information Required**

31. Appropriate information shall include, but is not limited to, settlement agreements, judgments, and proof of all payments made together with all other documentation that the Liquidator determines is reasonably necessary to evaluate and process the POC and issue a NOD. For those policies with a deductible provision or a self insured retention or for net worth insureds, appropriate information and documentation will also include loss runs detailing current information on all open claims and, if applicable, the status of their deductible or retained liability. Current information shall include, but not be limited to, the following for all open

claims: the policy number and effective date; Villanova claim number; Claimant name; type of loss; accident description; paid to date information for indemnity/bodily injury; medical/property damage; expenses; outstanding loss reserve; and total incurred amounts. If an underlying claim is not involved then current information shall include, but not be limited to, the following information and documentation: underlying contracts or agreements, outstanding invoices, amounts paid to date from any sources and descriptions of any services or materials provided.

**E. Failure to Provide Information**

32. In the event that a Claimant fails to provide the information specified in paragraphs 26 through 31 of this Petition or any other information reasonably requested by the Liquidator, the Liquidator may: (a) issue a final demand for information in the name of this Court to require the production, as set forth in Section 221.38(b) of the Act, of any books, papers, records or other documents which he deems necessary to the evaluation and determination of a claim and (b) in each instance where a Claimant fails to timely respond to the final demand for information the Liquidator may subordinate the Claimant's claim to priority class (g)(2) and/or assign a zero value to Claimant's claim for the failure to comply with the requirements for submitting a duly filed claim as required pursuant to 40 P.S. §§221.37 and 221.38(a) of the Act.

**III. Best Interests of the Estate**

33. The recommended supplement to the Court's January 11, 2006 Claims Procedures Order, if approved, will result in substantial benefits to the Villanova estate. The recommended supplement will assist the Liquidator in obtaining the information required for the Liquidator's expeditious determination of claims and help ensure that the Liquidator receives the necessary information as required in the Act.

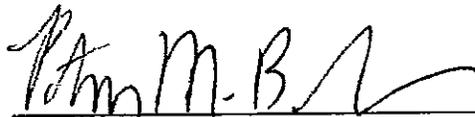
34. Additionally, the information will assist in the Liquidator's efforts to provide an interim partial distribution of the Villanova assets as soon as possible and efficiently and economically administer the liquidation proceeding toward its ultimate closure and the final distribution of all Estate assets.

35. In furtherance of the Liquidator's fiduciary and statutory obligations, the recommendation maintains consistency with the statutory goals of liquidation and assures the proper recognition of priorities while achieving a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims against the Estate.

36. Accordingly, the Liquidator respectfully requests that this Court enter an Order in the form attached hereto approving the recommended supplement to the Court's Claims Procedures Order.

**WHEREFORE**, the Liquidator respectfully requests that this Court grant this Petition and Order the relief requested herein.

By:

  
Preston M. Buckman (I.D. #57570)  
Special Funds Counsel  
Pennsylvania Insurance Department  
Capitol Associates Building  
Office of Chief Counsel  
901 North 7<sup>th</sup> Street  
Harrisburg, PA 17102  
(717) 787-6009

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

Dated:

3/20/08

**EXHIBIT**  
**A**

**NOTICE OF COMMONWEALTH COURT ORDER REQUIRING  
CLAIMS INFORMATION TO BE SUBMITTED**

The Liquidator of Legion Insurance Company and Villanova Insurance Company filed a petition with the Commonwealth Court seeking an Order which would require all claimants who have not yet received a Notice of Determination (NOD) to promptly and regularly submit information relevant to their claim. Without the claim information, the Liquidator is not in a position to evaluate claims and, where appropriate, issue NODs. Moreover, the information will materially assist in determining the feasibility of a distribution to claimants. The Commonwealth Court has approved the petition and issued an Order on \_\_\_\_\_ requiring the submission of information ("Claims Information Order" or "Order").

Enclosed in this package of information are the following:

- A copy of the Claims Information Order from the Commonwealth Court which requires claim information to be submitted to the Liquidator for a Proof of Claim (POC) for which a NOD has not yet been issued. Please read this information carefully and note the time frames for submitting information.
- A list of Frequently Asked Questions and Answers which explains what is required by the Order.
- A list of the POCs which you have filed and for which no NOD(s) has been issued. If you find that any of this information is incorrect, please advise the Liquidator as indicated in the list of Frequently Asked Questions and Answers. Remember to include the relevant POC number in any correspondence with the Liquidator, Legion Insurance Company (In Liquidation) or Villanova Insurance Company (In Liquidation).

If you are an attorney for a claimant, you may be receiving this information on behalf of your client.

All information submitted in connection with the enclosed Order should be mailed using the return address label provided on the address page of this package. If you will be mailing more than one package or expect to provide additional information in the future, please mail the information to:

Proof of Claim Department, Statutory Liquidator of Legion Insurance  
Company, One Logan Square, Suite 1400, Philadelphia, PA 19103