



GOVERNOR'S OFFICE OF GENERAL COUNSEL

January 20, 2016

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

Re: *Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania v. Westmoreland Casualty Company*
No. 2645 C.D. 1987

Dear Mr. Krimmel:

Attached for filing please find an original and one copy of an Application to Approve the Final Determined Amounts of Claims of Guaranty Associations Affected by the Insolvency of Westmoreland Casualty Company with regard to the above-referenced liquidation.

Thank you for your assistance in this matter.

Very truly yours,

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosures

20 JAN 2016 09 30

RECEIVED & FILED
COMMONWEALTH COURT
OF PENNSYLVANIA



BACKGROUND AND FACTS

1. By Order dated September 27, 1988, this Court found Westmoreland to be insolvent and appointed the Insurance Commissioner and her successors in office as liquidator of Westmoreland.

2. Westmoreland was a Pennsylvania domiciled property and casualty insurer that was licensed to write business in Pennsylvania, Maryland, Delaware, Mississippi, New Mexico, and Louisiana.

3. Westmoreland wrote various property and casualty lines of business, including workers' compensation coverage, which frequently creates long term liability for the estate of an insolvent insurer. That has been the case in the Westmoreland liquidation, where the overwhelming number of remaining open claims are workers' compensation claims that are being handled by certain guaranty associations.

4. Like the approval of the claims bar date that is described in paragraph 5 below, this Court's approval of the final determined amounts of the remaining claims of guaranty associations handling Westmoreland claims will significantly assist the Liquidator's efforts to resolve the estate's long term liability, and thus allow the Liquidator to take an important step toward finalizing the estate's affairs.

5. By Order dated May 16, 2011, this Court established a claims bar date of June 30, 2011 (the "Claims Bar Date"), by which date "[a]ny and all claims against [Westmoreland], against the Liquidator, his agents and representatives, or in any way affecting or seeking to affect any assets of Westmoreland, wherever or however such assets may be owned or held, directly or indirectly, must be filed with the Liquidator not later than the Claims Bar Date."

6. As of March 31, 2015, three guaranty associations still had open claims, namely the Pennsylvania Workers Compensation Security Fund (“WCSF”), and the Delaware and Mississippi Guaranty Associations, which collectively reported ninety-one (91) open claims with reserves totaling \$29,445,882. The reported claim number and reserve figures for each of these three guaranty associations are allocated as follows: WCSF: eighty-nine (89) claims and reserves of \$28,473,508; Delaware: one (1) claim and reserves of \$117,128; and Mississippi: one (1) claim and reserves of \$855,246. A chart setting forth the reported claims and reserves by guaranty association is attached hereto as and within Exhibit A and incorporated herein by reference.

7. During the administration of the Westmoreland liquidation, the Liquidator has sought and received the Court’s permission to distribute early access payments to the guaranty associations that have been affected by Westmoreland’s insolvency. The first early access distribution of \$32 million was approved by this Court on November 15, 1994. The second early access distribution of \$15 million was approved by this Court on May 1, 1996. The third early access distribution of \$8 million was approved by this Court on June 16, 1998. The fourth early access distribution of \$5 million was approved by this Court on July 14, 1999. The fifth early access distribution of \$3 million was approved by this Court on October 2, 2000. A chart setting forth the early access payments by the guaranty association is attached hereto as and within Exhibit A and incorporated herein by reference.

8. To date, these entities have received the following amounts: Delaware, \$158,792; Louisiana, \$217,973 (taken by ancillary); Maryland, \$1,294,645; Mississippi, \$596,101; New Mexico, \$57,731; Pennsylvania Property and Casualty Insurance Guaranty Association (“PPCIGA”), \$818,519; Pennsylvania Life and Health Insurance Guaranty Association (“PLHIGA”), \$143,063. The total paid to the Pennsylvania Workers Compensation Security Fund

("WCSF") is \$58,773,431. A chart setting forth the early access payments by the guaranty association is attached hereto as and within Exhibit A and incorporated herein by reference.

9. In order to determine and finalize Westmoreland's obligations to each relevant guaranty association, the Liquidator and the three guaranty associations with remaining open claims have agreed to the final determined amounts of Westmoreland's Class A (administrative expenses) and Class B (claim and loss adjustment expenses) obligations to these three guaranty associations. A chart setting forth the amounts that have been agreed between Westmoreland and each relevant guaranty association is attached hereto as and within Exhibit A and incorporated herein by reference. Additionally, correspondence between the Liquidator, or her representative, and each relevant guaranty association setting forth its acceptance of these final determined amounts, is attached hereto as Exhibit B and incorporated herein by reference.

ARTICLE V AND RELIEF SOUGHT

1. Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, as amended, 40 P.S. §§ 221.1-221.63 (the "Act"), provides, *inter alia*, for the liquidation of insolvent insurers.

2. Section 501 of the Act, 40 P.S. § 221.1, provides that its provisions shall be liberally construed to protect the interests of insureds, creditors, and the public generally.

3. Section 523 of the Act grants broad powers to the Liquidator, and concludes in section 523(23) by stating, "The enumeration, in this section, of the powers and authority of the liquidator shall not be construed as a limitation upon him, nor shall it exclude in any manner his right to do such other acts not herein specifically enumerated, or otherwise provided for, as may be necessary or expedient for the accomplishment of or in aid of the purpose of liquidation."

4. In keeping with the powers and authority contained in Article V that allow the Liquidator to do such acts that may be necessary to aid the purpose of liquidation, the Liquidator respectfully requests that the Court approve the final determined Class A and Class B amounts set forth in Exhibit A hereto as Westmoreland's full and final obligations to each relevant guaranty association, in order to allow the Liquidator to take an important and significant step toward finalizing the affairs of the Westmoreland estate.

5. In seeking the relief sought in the instant Application, the Liquidator submits that this Application is consistent with the Liquidator's powers under the Act and is in the best "interests of insureds, creditors, and the public generally." See section 501 of the Act, 40 P.S. § 221.1.

WHEREFORE, the Liquidator respectfully requests the entry of an Order, in the form attached hereto, approving the final determined amounts set forth in Exhibit A as Westmoreland's full and final obligation to each relevant guaranty association.

Respectfully submitted:



PRESTON M. BUCKMAN (I.D. #57570)
Governor's Office of General Counsel
Pennsylvania Insurance Department
Capitol Associate Building
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

Attorney for Teresa D. Miller, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as Statutory
Liquidator of Westmoreland Casualty Company

Dated: _____

1/20/16

EXHIBIT A

CLAIMS OVERVIEW 03/31/2015

WESTMORELAND CASUALTY COMPANY

GA ASSOC.	CLAIMS PAID		CLAIMS RESERVE		TOTAL LIABILITY		EXPENSES REPORTED						
	GA	ASSOC.	GA	ASSOC.	GA	ASSOC.	ADMIN. EXPENSE	LAE EXPENSE	TOTAL EXPENSE	GA	ASSOC.	GA	ASSOC.
WCSF	179,436,927	0	28,473,508	0	207,910,435	0	23,403,877	6,956,678	30,367,555	0	0	0	0
PIGA	2,341,524	0	117,128	0	2,341,524	0	216,976	795,444	1,012,421	0	0	0	0
DIIGA	374,566	0	0	0	374,566	0	87,550	45,574	130,124	2,581	0	0	0
NIIGA	2,182,045	0	855,246	0	2,182,045	0	629,979	299,569	929,548	0	0	0	0
MIIGA	1,901,006	0	0	0	1,901,006	0	266,122	218,814	479,936	18,765	0	0	0
NMIGA	284,083	0	0	0	284,083	0	3,111	24,387	27,498	0	0	0	0
LAIIGA	0	0	0	0	0	0	0	0	0	0	0	0	0
PLHIGA	10,000	0	0	0	10,000	0	83,402	303,710	387,111	0	0	0	0
B-GA Covered (from Below)	62,212	0	0	0	62,212	0	24,688,017	8,636,176	33,324,193	21,366	0	0	0
GA TOTALS (A)	186,510,951	0	29,445,882	0	215,956,833	0	24,688,017	8,636,176	33,324,193	21,366	0	0	0
GA RET/PREM (MD)	3,543	0	0	0	3,543	0	0	0	0	0	0	0	0
E	3,227,239	0	0	0	3,227,239	0	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0	0	0	0	0	0
G	33,609	0	0	0	33,609	0	4,203,690	0	4,203,690	0	0	0	0
TOTALS (E)	3,323,060	0	0	0	3,323,060	0	4,203,690	0	4,203,690	0	0	0	0

GA ASSOC.	CLAIMS PAID		CLAIMS RESERVE		TOTAL LIABILITY		EXPENSES REPORTED						
	GA	ASSOC.	GA	ASSOC.	GA	ASSOC.	ADMIN. EXPENSE	LAE EXPENSE	TOTAL EXPENSE	GA	ASSOC.	GA	ASSOC.
WCSF	179,436,927	0	28,473,508	0	207,910,435	0	23,403,877	6,956,678	30,367,555	0	0	0	0
PIGA	2,341,524	0	117,128	0	2,341,524	0	216,976	795,444	1,012,421	0	0	0	0
DIIGA	374,566	0	0	0	374,566	0	87,550	45,574	130,124	2,581	0	0	0
NIIGA	2,182,045	0	855,246	0	2,182,045	0	629,979	299,569	929,548	0	0	0	0
MIIGA	1,901,006	0	0	0	1,901,006	0	266,122	218,814	479,936	18,765	0	0	0
NMIGA	284,083	0	0	0	284,083	0	3,111	24,387	27,498	0	0	0	0
LAIIGA	0	0	0	0	0	0	0	0	0	0	0	0	0
PLHIGA	10,000	0	0	0	10,000	0	83,402	303,710	387,111	0	0	0	0
B-GA Covered (from Below)	62,212	0	0	0	62,212	0	24,688,017	8,636,176	33,324,193	21,366	0	0	0
GA TOTALS (A)	186,510,951	0	29,445,882	0	215,956,833	0	24,688,017	8,636,176	33,324,193	21,366	0	0	0
GA RET/PREM (MD)	3,543	0	0	0	3,543	0	0	0	0	0	0	0	0
E	3,227,239	0	0	0	3,227,239	0	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0	0	0	0	0	0
G	33,609	0	0	0	33,609	0	4,203,690	0	4,203,690	0	0	0	0
TOTALS (E)	3,323,060	0	0	0	3,323,060	0	4,203,690	0	4,203,690	0	0	0	0

GA ASSOC.	CLAIMS PAID		CLAIMS RESERVE		TOTAL LIABILITY		EXPENSES REPORTED						
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WCSF	179,436,927	0	28,473,508	0	207,910,435	0	23,403,877	6,956,678	30,367,555	0	0	0	0
PIGA	2,341,524	0	117,128	0	2,341,524	0	216,976	795,444	1,012,421	0	0	0	0
DIIGA	374,566	0	0	0	374,566	0	87,550	45,574	130,124	2,581	0	0	0
NIIGA	2,182,045	0	855,246	0	2,182,045	0	629,979	299,569	929,548	0	0	0	0
MIIGA	1,901,006	0	0	0	1,901,006	0	266,122	218,814	479,936	18,765	0	0	0
NMIGA	284,083	0	0	0	284,083	0	3,111	24,387	27,498	0	0	0	0
LAIIGA	0	0	0	0	0	0	0	0	0	0	0	0	0
PLHIGA	10,000	0	0	0	10,000	0	83,402	303,710	387,111	0	0	0	0
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GA RET/PREM (MD)	3,543	0	0	0	3,543	0	0	0	0	0	0	0	0
E	3,227,239	0	0	0	3,227,239	0	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0	0	0	0	0	0
G	33,609	0	0	0	33,609	0	4,203,690	0	4,203,690	0	0	0	0
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NMIGA	284,083	0	0	0	284,083	0	3,111	24,387	27,498	0	0	0	0
LAIIGA	0	0	0	0	0	0	0	0	0	0	0	0	0
PLHIGA	10,000	0	0	0	10,000	0	83,402	303,710	387,111	0	0	0	0
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E	3,227,239	0	0	0	3,227,239	0	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0	0	0	0	0	0
G	33,609	0	0	0	33,609	0	4,203,690	0	4,203,690	0	0	0	0
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LAIIGA	0	0	0	0	0	0	0	0	0	0	0	0	0
PLHIGA	10,000	0	0	0	10,000	0	83,402	303,710	387,111	0	0	0	0
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E	3,227,239	0	0	0	3,227,239	0	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0	0	0	0	0	0
G	33,609	0	0	0	33,609	0	4,203,690	0	4,203,690	0	0	0	0
TOTALS (E)	3,323,060	0	0	0	3,323,060	0	4,203,690	0	4,203,690	0	0	0	0

GA ASSOC.	CLAIMS PAID		CLAIMS RESERVE		TOTAL LIABILITY		EXPENSES REPORTED						
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PIGA	2,341,524	0	117,128	0	2,341,524	0	216,976	795,444	1,012,421	0	0	0	0
DIIGA	374,566	0	0	0	374,566	0	87,550	45,574	130,124	2,581	0	0	0
NIIGA	2,182,045	0	855,246	0	2,182,045	0	629,979	299,569	929,548	0	0	0	0
MIIGA	1,901,006	0	0	0	1,901,006	0	266,						

EXHIBIT B



Andrew Rothseid <andrew.rothseid@runoffresolve.com>

RE: Westmoreland Casualty Company (In Liquidation)

1 message

Becky Tafoya <beckyt@integriongroup.com>

Mon, Jun 22, 2015 at 1:00 PM

To: "Haag, Dennis" <c-dhaag@pa.gov>

Cc: Andrew Rothseid <andrew.rothseid@runoffresolve.com>, "Slaymaker, Laura" <c-lslaymak@pa.gov>

Good Morning,

We are in agreement with what the receiver is showing. \$288,470.18 in Paid Losses/ALAE and \$3,110.98 in Admin Expense. Let me know if you need additional information from us.

Thank You,

Becky Tafoya, ARM-P
Executive Director

Integrion Group

3830 Commons NE | Albuquerque, NM 87109

direct 505.291.4968 main 505.293.6600 fax 505.293.6400

cell 505.379.8485 email beckyt@integriongroup.com

integriongroup.com

Integrion Group is celebrating 50 years as a **Third Party**

Claims Administration service provider in New Mexico!



From: Haag, Dennis [<mailto:c-dhaag@pa.gov>]

Sent: Monday, June 22, 2015 9:27 AM

To: Becky Tafoya

Cc: Andrew Rothseid; Slaymaker, Laura

Subject: RE: Westmoreland Casualty Company (In Liquidation)

Ms. Tafoya,

Have you had a chance to review the below email?

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

Phone: 717.787.7823 | Fax 717.783-9326

www.insurance.pa.gov | www.chipcoverspakids.com

From: Haag, Dennis
Sent: Friday, June 12, 2015 3:44 PM
To: 'beckyt@integriongroup.com'
Cc: 'Andrew Rothseid'; Slaymaker, Laura
Subject: Westmoreland Casualty Company

Ms. Tafoya ,

I write this email as an update on the Westmoreland Casualty Company (WCCO) liquidation. As you know, WCCO has been in liquidation since September 127, 1988. In 2011, we filed an Application to Establish a Claims Bar Date with the court. That Application was approved and the Court set June 30, 2011 as the last date for the filing of claims (Bar Date). Since that time we have been working towards establishing a procedure to enable us to close the estate.

Our records indicate that your office has paid \$264,082.75 in losses, \$24,387.43 in allocated expenses, and \$3,110.98 in administrative expenses. We also reflect no open claims and the last reporting of claim activity was in December 2003.

Accordingly, we would like to issue Notices of Determination finalizing your claim against the assets of WCCO. Those Notices of Determination would be issued as follows;

Priority Class "A" – Administrative Expenses - \$3,110.98

Priority Class "B" – Loss and Allocated Expenses - \$288,470.18

Please advise if your records are not in agreement.

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

Phone: 717.787.7823 | Fax 717.783-9326

www.insurance.pa.gov | www.chipcoverspakids.com

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Andrew Rothseid <andrew.rothseid@runoffresolve.com>

RE: Westmoreland Insurance Company

1 message

Haag, Dennis <c-dhaag@pa.gov>

Thu, Jul 2, 2015 at 10:23 AM

To: Andrew Rothseid <andrew.rothseid@runoffresolve.com>

Cc: "Slaymaker, Laura" <c-lslaymak@pa.gov>, "Shaffer, Kenneth" <c-keshaffe@pa.gov>

Andy,

Mr. Russell is correct. When I updated exhibit B to reflect 3/31/15 numbers we had not yet received their 1st quarter financial report. We have since received it and the numbers reconcile.

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

Phone: 717.787.7823 | Fax 717.783-9326

www.insurance.pa.gov | www.chipcoverspakids.com

From: Arthur Russell [mailto:arussell@msiga.net]

Sent: Thursday, July 02, 2015 10:11 AM

To: Andrew Rothseid

Cc: Haag, Dennis; Slaymaker, Laura; Shaffer, Kenneth

Subject: RE: Westmoreland Insurance Company

Mr. Rothseid,

Our review of the numbers indicate that Priority Class A – Admin expenses total of \$263,405.10 did not include the first quarter expense of \$2717.51 (Reporting Period Ending 3/31/2015). The actual total should be \$266,122.61. Our numbers for Class B – Loss and allocated expenses match your total of \$2,989,651.32.

Arthur

From: Andrew Rothseid [mailto:andrew.rothseid@runoffresolve.com]
Sent: Tuesday, June 30, 2015 11:17 AM
To: Arthur Russell
Cc: Haag, Dennis; Slaymaker, Laura; Shaffer, Kenneth
Subject: Westmoreland Insurance Company

Dear Mr. Russell:

As I believe you have been advised, the Pennsylvania Insurance Department, Bureau of Liquidations and Rehabilitations (the "PA DOI") has engaged RunOff Re.Solve LLC, to assist in the closure of the Westmoreland Casualty Company ("WCCO") liquidation.

I write this email as an update on the WCCO liquidation. As you know, WCCO has been in liquidation since September 27, 1988. In 2011, the PA DOI filed an Application to Establish a Claims Bar Date with the court. That Application was approved and the Court set June 30, 2011 as the last date for the filing of claims (Bar Date). Since that time the PA DOI and we have been working towards establishing a procedure to enable us to close the estate.

The PA DOI records as of March 31, 2015 indicate that your office has paid \$1,901,806 in losses, \$213,814 in allocated expenses, and \$263,405 in administrative expenses. We also reflect 1 open claim as at March 31, 2015.

Accordingly, the PA DOI would like to issue Notices of Determination finalizing your claim against the assets of WCCO. Those Notices of Determination would be issued as follows:

Priority Class "A" – Administrative Expenses - \$263,405.10

Priority Class "B" – Loss and Allocated Expenses - \$2,989,651.32

Please advise if your records are not in agreement.

Thank you.

Andrew Rothseid

Principal

RunOff Re.Solve LLC

Suite 300, Two Bala Plaza

Bala Cynwyd, Pennsylvania 19004

610-660-7738 – Office

267-253-3529 – Mobile

610-500-5071 - Facsimile

andrew.rothseid@runoffresolve.com

www.runoffresolve.com



Andrew Rothseid <andrew.rothseid@runoffresolve.com>

RE: Westmoreland Insurance Company

1 message

Barry Miller <bmillier@deiga.com>

Tue, Jul 21, 2015 at 1:41 PM

To: Andrew Rothseid <andrew.rothseid@runoffresolve.com>

Mr. Rothseid,

The amounts presented below are acceptable to the Delaware Insurance Guaranty Association.

Regards,

Barry

Barry Miller

Executive Director

Delaware Insurance Guaranty Association

(302) 456-3656 ext. 5

bmillier@deiga.com

From: Andrew Rothseid [mailto:andrew.rothseid@runoffresolve.com]

Sent: Friday, July 17, 2015 2:07 PM

To: Barry Miller

Cc: Haag, Dennis; Slaymaker, Laura; Shaffer, Kenneth

Subject: Re: Westmoreland Insurance Company

Dear Mr Miller:

I am writing to follow our June 30, 2015 note.

Would you kindly reply within seven (7) days to confirm your agreement with the figures presented in the June 30 note below?

Kind regards.

Andrew Rothseid

Andrew Rothseid

Principal

RunOff Re.Solve LLC

Suite 300, Two Bala Plaza

Bala Cynwyd, Pennsylvania 19004

610-660-7738 – Office

267-253-3529 – Mobile

610-500-5071 - Facsimile

andrew.rothseid@runoffresolve.com

www.runoffresolve.com

On Tue, Jun 30, 2015 at 12:15 PM, Andrew Rothseid <andrew.rothseid@runoffresolve.com> wrote:

Dear Mr. Miller:

As I believe you have been advised, the Pennsylvania Insurance Department, Bureau of Liquidations and Rehabilitations (the "PA DOI") has engaged RunOff Re.Solve LLC, to assist in the closure of the Westmoreland Casualty Company ("WCCO") liquidation.

I write this email as an update on the WCCO liquidation. As you know, WCCO has been in liquidation since

September 27, 1988. In 2011, the PA DOI filed an Application to Establish a Claims Bar Date with the court. That Application was approved and the Court set June 30, 2011 as the last date for the filing of claims (Bar Date). Since that time the PA DOI and we have been working towards establishing a procedure to enable us to close the estate.

The PA DOI records as of March 31, 2015 indicate that your office has paid \$374,566 in losses, \$42,574 in allocated expenses, and \$96,809 in administrative expenses. We also reflect 1 open claim as at March 31, 2015.

Accordingly, the PA DOI would like to issue Notices of Determination finalizing your claim against the assets of WCCO. Those Notices of Determination would be issued as follows:

Priority Class "A" – Administrative Expenses - \$96,809.05

Priority Class "B" – Loss and Allocated Expenses - \$536,849.17

Please advise if your records are not in agreement.

Thank you.

Andrew Rothseid

Principal

RunOff Re.Solve LLC

Suite 300, Two Bala Plaza

Bala Cynwyd, Pennsylvania 19004

610-660-7738 – Office

267-253-3529 – Mobile

610-500-5071 - Facsimile

andrew.rothseid@runoffresolve.com

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Andrew Rothseid <andrew.rothseid@runoffresolve.com>

FW: Westmoreland Casualty Company

1 message

Haag, Dennis <c-dhaag@pa.gov>

Wed, Jun 17, 2015 at 10:22 AM

To: "andrew.rothseid@runoffresolve.com" <andrew.rothseid@runoffresolve.com>, "Slaymaker, Laura" <c-lslaymak@pa.gov>

Below, please find Maryland's agreement to our figures regarding Westmoreland.

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

Phone: 717.787.7823 | Fax 717.783-9326

www.insurance.pa.gov | www.chipcoverspakids.com

From: John Spielberger [mailto:jspiel@pcigc.com]

Sent: Wednesday, June 17, 2015 10:12 AM

To: Haag, Dennis

Cc: vkress@pcigc.com

Subject: RE: Westmoreland Casualty Company

Dennis,

I have spoken with Mr. Petr and Ms. Kress who both confirm the agreed upon figures.

From: Haag, Dennis [mailto:c-dhaag@pa.gov]

Sent: Friday, June 12, 2015 3:46 PM

To: jspiel@pcigc.com

Cc: Andrew Rothseid; Slaymaker, Laura

Subject: Westmoreland Casualty Company

Mr. Spielberger,

I write this email as an update on the Westmoreland Casualty Company (WCCO) liquidation. As you know, WCCO has been in liquidation since September 12, 1988. In 2011, we filed an Application to Establish a Claims Bar Date with the court. That Application was approved and the Court set June 30, 2011 as the last date for the filing of claims (Bar Date). Since that time we have been working towards establishing a procedure to enable us to close the estate.

Our records indicate that your office has paid \$2,182,045.40 in losses, \$299,569.12 in allocated expenses, \$629,978.72 in administrative expenses, and \$3,543.00 in return premium claims.

Accordingly, we would like to issue Notices of Determination finalizing your claim against the assets of WCCO. Those Notices of Determination would be issued as follows;

Priority Class "A" – Administrative Expenses - \$629,978.72

Priority Class "B" – Loss and Allocated Expenses - \$2,481,614.52

Priority Class "E" – Return Premium - \$3,543.00

If I recall correctly, Mr. Petr had previously agreed to these figures in an email from Valerie Kress dated February 19, 2013

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

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Andrew Rothseid <andrew.rothseid@runoffresolve.com>

FW: Westmoreland Casualty Company (In Liquidation)

1 message

Haag, Dennis <c-dhaag@pa.gov>

Tue, Jun 23, 2015 at 12:40 PM

To: Andrew Rothseid <andrew.rothseid@runoffresolve.com>, "Slaymaker, Laura" <c-lslaymak@pa.gov>

Andrew,

With this email, we have received claim value agreements from PLHIGA (PA Life & Health GA), Maryland, New Mexico and PPCIGA (PA Property & Casualty GA). Please advise when you would like Notices of Determinations issued.

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

Phone: 717.787.7823 | Fax 717.783-9326

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From: Joe Horvath [mailto:jhorvath5@verizon.net]
Sent: Tuesday, June 23, 2015 12:31 PM
To: Haag, Dennis
Cc: Jhorvath5@verizon.net; mjmone@palifega.org
Subject: RE: Westmoreland Casualty Company (In Liquidation)

Dennis –

We can find no data at variance with your figures and have no objection to your using them.

Best regards,

Joe Horvath

From: Haag, Dennis [mailto:c-dhaag@pa.gov]
Sent: Monday, June 22, 2015 11:26 AM
To: jhorvath5@verizon.net
Cc: Andrew Rothseid; Slaymaker, Laura
Subject: RE: Westmoreland Casualty Company (In Liquidation)

Mr. Horvath,

Have you had a chance to review the below email?

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

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From: Haag, Dennis
Sent: Friday, June 12, 2015 3:50 PM
To: 'jhorvath5@verizon.net'
Cc: 'Andrew Rothseid'; Slaymaker, Laura
Subject: Westmoreland Casualty Company

Mr. Horvath,

I write this email as an update on the Westmoreland Casualty Company (WCCO) liquidation. As you know, WCCO has been in liquidation since September 127, 1988. In 2011, we filed an Application to Establish a Claims Bar Date with the court. That Application was approved and the Court set June 30, 2011 as the last date for the filing of claims (Bar Date). Since that time we have been working towards establishing a procedure to enable us to close the estate.

Our records indicate that your office has paid \$10,000.00 in losses, \$303,709.60 in allocated expenses, and \$83,401.86 in administrative expenses. We also reflect no open claims and the last reporting of claim activity was in December 1998.

Accordingly, we would like to issue Notices of Determination finalizing your claim against the assets of WCCO. Those Notices of Determination would be issued as follows;

Priority Class "A" – Administrative Expenses - \$83,401.86

Priority Class "B" – Loss and Allocated Expenses - \$313,709.60

Please advise if your records are not in agreement.

Thank you.

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

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Andrew Rothseid <andrew.rothseid@runoffresolve.com>

RE: Westmoreland Casualty Company

1 message

Patricia Ettore <pettore@ppciga.org>

Tue, Jun 16, 2015 at 3:01 PM

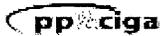
To: "Haag, Dennis" <c-dhaag@pa.gov>

Cc: Stephen Perrone <sperrone@ppciga.org>, "andrew.rothseid@runoffresolve.com" <andrew.rothseid@runoffresolve.com>, "Slaymaker, Laura" <c-lslaymak@pa.gov>

Dennis,

Thank you for your consideration. We can confirm our approval of the allowed figures as stated below.

Pat



Patricia Ettore, Accounting Manager

Pa Prop & Cas Insurance Guaranty Assn

Direct Line: (215) 600-2771

Main No. (215) 568-1007

From: Haag, Dennis [mailto:c-dhaag@pa.gov]

Sent: Tuesday, June 16, 2015 2:57 PM

To: Patricia Ettore

Cc: Stephen Perrone; andrew.rothseid@runoffresolve.com; Slaymaker, Laura

Subject: RE: Westmoreland Casualty Company

Pat,

Thank you for the prompt reply. Based on the additional documentation submitted, we will allow the following:

Priority Class "A" - Administrative Expenses	216,979.40
Priority Class "B" - Loss & Allocated Expenses	3,136,968.30

I would ask that a confirming email be sent approving these numbers.

Dennis Haag | Chief

Insurance Department | Bureau of Liquidations & Rehabilitations

901 N. 7th Street | Harrisburg PA 17102

Phone: 717.787.7823 | Fax 717.783-9326

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From: Patricia Ettore [mailto:pettore@ppciga.org]

Sent: Tuesday, June 16, 2015 2:48 PM

To: Haag, Dennis

Cc: Stephen Perrone; andrew.rothseid@runoffresolve.com; Slaymaker, Laura

Subject: RE: Westmoreland Casualty Company

Dennis,

You are correct, we did have Administrative Expenses in 2006 and I am attaching a copy of our Quarterly Financial Report as of December 31, 2006.

We had an additional payment after my September 26, 2006 email to you. On 10/16/06, we issued a check on the Hems Brothers file for \$5,504.78 and had not as yet calculated the Admin expenses until the 9/30/06 & 12/31/06 Financials respectively.

Hopefully, this now reconciles.

Thank you,

Pat



Patricia Ettore, Accounting Manager

Pa Prop & Cas Insurance Guaranty Assn



Andrew Rothseid <andrew.rothseid@runoffresolve.com>

RE: Westmoreland Casualty Company

1 message

Keller, Laura <lakeller@pa.gov>

Mon, Oct 5, 2015 at 8:55 AM

To: Andrew Rothseid <andrew.rothseid@runoffresolve.com>

Cc: "Slaymaker, Laura" <c-lslymak@pa.gov>, "Haag, Dennis" <c-dhaag@pa.gov>, "Shaffer, Kenneth" <c-keshaffe@pa.gov>, "Burgan, Richard" <rburgan@pa.gov>

Mr. Rothseid – Rick Burgan and I have reviewed the NOD proposal below. The PA WCSF accepts these figures as provided by Westmoreland Casualty Company. Laura S. Keller PA WCSF 717-783-8093

From: Andrew Rothseid [mailto:andrew.rothseid@runoffresolve.com]

Sent: Friday, October 02, 2015 11:48 AM

To: Keller, Laura

Cc: Slaymaker, Laura; Haag, Dennis; Shaffer, Kenneth; Burgan, Richard

Subject: Westmoreland Casualty Company

Dear Laura:

I am writing to provide the Workers Compensation Security Fund ("WCSF") with a revised and final Notice of Determination from the Westmoreland Casualty Company ("WCCO") Liquidation.

The PA DOI would like to issue Notices of Determination finalizing the WCSF's claim against the assets of WCCO. Those Notices of Determination would be issued as follows:

Priority Class "A" – Administrative Expenses - \$23,400,877

Priority Class "B" – Loss and Allocated Expenses - \$214,867,112.21

The Priority Class "A" Administrative Expense figure does not include any amount in respect or investment management fees that may have been incurred by the WCSF.

Would you kindly reply to indicate that the WCSF agrees to and accepts these figures.

Best regards.

Andrew Rothseid

Andrew Rothseid

Principal

RunOff Re.Solve LLC

Suite 300, Two Bala Plaza

Bala Cynwyd, Pennsylvania 19004

610-660-7738 - Office

267-253-3529 - Mobile

610-500-5071 - Facsimile

www.runoffresolve.com

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon the person(s) and in the manner indicated below.

Service by first-class mail, addressed as follows:

Barry Miller, Executive Director
Delaware Insurance Guaranty Association
220 Continental Drive, Suite 309
Newark, DE 19713-4311

Arthur Russell, Executive Director
Mississippi Insurance Guaranty Association
713 South Pear Orchard Road, Suite 200
Ridgeland, MS 39157-4823

Sharon Williams, Deputy Director Commercial Litigation Branch
Department of Justice, Civil Division
P.O. Box 875
Ben Franklin Station
Washington, DC 20044

Gary Keenan, President
New P&C Insurance Guaranty Association
c/o Keenan & Associates, Inc.
P.O. Box 14590
Albuquerque, NM 87191-6400

John R. Spielberger, President
Maryland P&C Insurance Guaranty Corporation
305 Washington Street, Suite 600
Towson, MD 21204-4715

Andrew Rothseid, Principal
RunOff Re.Solve, LLC
Two Bala Plaza, Suite 300
Bala Cynwyd, PA 19004

Stephen F. Perrone, Executive Director
Pennsylvania P&C Insurance Guaranty Corporation
1617 John F. Kennedy Blvd., Suite 1850
Philadelphia, PA 19103

Laura Keller, Claims Manager
Pennsylvania Workers Compensation
Security Fund
901 North 7th Street
Harrisburg, PA 17102

Pennsylvania Department of Revenue
ATTN: Marianne I. Rempe, Esquire
Office of Chief Counsel
Department 281061
Harrisburg, PA 17128-1061

Desiree Worsley
Louisiana Insurance Guaranty Association
2142 Quail Run Drive
Baton Rouge, LA 70808

Becky Tafoya, Executive Director
Integrion Group
3830 Commons, N.E.
Albuquerque, NM 87109



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

Counsel for Teresa D. Miller, Pennsylvania
Insurance Commissioner, in her capacity as
Statutory Liquidator of Westmoreland
Casualty Company (In Liquidation)

DATED:

1 | 20 | 16