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1 CIC 2014

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Commonwealth Insurance Company, :
In Liquidation : No. 1 CIC 2014

APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS ON COMMONWEALTH INSURANCE COMPANY CLAIMS UNDISPUTED AND RESOLVED FROM MARCH 20, 2014 TO DECEMBER 31, 2014

Applicant, Teresa D. Miller, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator ("Liquidator") of Commonwealth Insurance Company ("CIC"), 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 Commonwealth Insurance Company Claims Undisputed and Resolved from March 20, 2014 to December 31, 2014. In support of her Application, the Liquidator avers the following:

BACKGROUND

1. The Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of CIC pursuant to this Court's Order dated March 20, 2014 ("Liquidation Order").

2. The Liquidation Order provided that "in addition to the notice requirements of Section 524 of the Act,[1] 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation where CIC has its principal places of business 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, ¶17. By April 2, 2014, the Liquidator provided Notice of the Liquidation Order and a Q&A document that, inter alia, informed all interested parties to download a Proof of Claim ("POC") form from the Insurance Department's website, or call for a copy of the POC form.

3. 40 P.S. § 221.45 requires the Liquidator to present to the Court a report of the claims against the insurer with his recommendations, including the name and address of each claimant, the particulars of the claim, and the amount of the claim finally recommended, if any. Pa.R.A.P. 3784(a) further refines 40 P.S. § 221.45, and requires that at least annually, the Liquidator present to the Court a report of the claims against the insurer's estate that have been resolved, with his recommendations, including the information required by 40 P.S. § 221.45, as well as the priority class, and whether the claim determination was finalized because no objection was filed, 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.

[1] The Insurance Department Act of 1921, Act of May 17, 1921, ("Act"), P.L. 789, as amended, 40 P.S. §§ 221.1 – 221.63. (This footnote is added here, and is not contained in the text of the Liquidation Order that is being quoted in paragraph 2).

REPORT AND RECOMMENDATIONS ON CLAIMS UNDISPUTED AND RESOLVED AS OF DECEMBER 31, 2014

4. The Liquidator's Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from March 20, 2014 to December 31, 2014 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.[2]

5. The first part of the Report, which addresses claims that were determined and finalized without objection, and are referred to as "Undisputed Claims", reflects Notices Of Determination ("NOD") issued by the Liquidator for which the objection period expired on or before December 31, 2014. The total number of Undisputed Claims is 18 with an allowed amount of $846,243.22. The list of Undisputed Claims is attached hereto as Exhibit A.

6. The second part of the Report, which addresses 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, and are referred to as "Resolved Claims", is a list of the disputed claims to which objections were filed and resolved on or before December 31, 2014. The total number of Resolved Claims is 0, with an allowed amount of $0. This is memorialized in Exhibit B, which is attached hereto.

7. As set forth in Exhibits A and B, the Liquidator respectfully submits her recommendations for a total of 18 claims with a total allowed amount of $846,243.22 in accordance with Pa.R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court's approval.

[2] If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as $0.

8. 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.

9. 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. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the CIC estate, claimants and other creditors.

10. 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 and allow the claimants listed in the Report or their lawful assignees to receive a distribution in accordance with 40.P.S. §221.44 at the time and in the manner as approved by this Court.

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:

By: _____

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

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

Dated: 3/17/15

EXHIBIT A

Undisputed Claims Report

Estate:COMMONWEALTH INSURANCE COMPANY

Report Period: Mar 20, 2014 - Dec 31, 2014

Number of Undisputed Claims for the Period	18	Amount Claimed for the Period	$897,258.78	Approved Amount for the Period	$846,243.22

Undisputed and Resolved Claims Report - Undisputed Claims

Estate: COMMONWEALTH INSURANCE COMPANY

Period: Mar 20, 2014 - Dec 31, 2014

Claimant Name	Address	POC #	POC Received Date	aim #'s	Class	Claim Amount	Amount Approved	Claim Particulars
ABEER LP	ABEER LP 2457 - 59 N 54TH STREET PHILADELPHIA, PA 19131	33	09/08/2014		E	$20,000.00	$0.00	GEN CRED
AHERN RENTALS	AHERN RENTALS 1401 MINERAL AVE LAS VEGAS, NV 89106	20	05/27/2014	2014-006	E	$7,059.68	$0.00	P&C THIRD PARTY
ASCHER, DANIEL	ASCHER, DANIEL 638 PINE STREET PHILADELPHIA, PA 19147	7	04/10/2014		E	$270.00	$0.00	RETURN PREMIUM
BYRD YEANY SEEDING-MULCHING	BYRD YEANY SEEDING-MULCHING 291 MAYPORT RD MAYPORT, PA 16240	24	06/23/2014	2014-005	E	$122,553.16	$122,553.16	P&C THIRD PARTY
COMMONWEALTH OF PENNSYLVANIA	COMMONWEALTH OF PENNSYLVANIA P O BOX 68283 HARRISBURG, PA 17106	32	09/08/2014	14-00009	E	$240.00	$0.00	P&C INSURED
ELECTRA COMPANY, INC.	ELECTRA COMPANY, INC. 1400 WELLS DRIVE - UNIT B BENSALEM, PA 19020	15	04/18/2014		E	$0.00	$0.00	GEN CRED
GOLD GLOVE SPORTS TOURS, INC.	GOLD GLOVE SPORTS TOURS, INC. 12 KNOTTS ROAD SCHUYLKILL HAVEN, PA 17972	28	06/30/2014		E	$300.00	$0.00	RETURN PREMIUM
HENRY, THOMAS	HENRY, THOMAS 463 CHIMNEY ROCKS RD HOLLIDAYSBURG, PA 16648	30	07/17/2014		E	$1,000.00	$0.00	GEN CRED
HOLIDAY TRENTON, INC.	HOLIDAY TRENTON, INC. MARK A. ROTHBERG, ESQUIRE, WILF LAW FIRM, LLP 820 MORRIS TURNPIKE - SUITE 201 SHORT HILLS, NJ 07078	36	10/14/2014	2014-003	E	$727,579.00	$721,705.70	P&C THIRD PARTY
HUGHES URETHANE CONSTRUCTION CO., INC.	HUGHES URETHANE CONSTRUCTION CO., INC. P O BOX 278 SOUTHAMPTON, PA 18966	12	04/17/2014		E	$1,500.00	$0.00	RETURN PREMIUM
JWF INVESTING, INC.	JWF INVESTING, INC. 2430 SHREWSBURY RD ORLANDO, FL 32803	27	06/25/2014	2014-008	E	$5,000.00	$0.00	P&C INSURED
LEE, EMILY	LEE, EMILY 8037 OLD YORK ROAD ELKINS PARK, PA 19027	18	05/09/2014		E	$60.00	$0.00	AGENT
MERRILL CORPORATION	MERRILL CORPORATION ONE MERRILL CIRCLE ST PAUL, MN 55108	29	07/14/2014		E	$685.36	$685.36	GEN CRED
MISTER P EXPRESS, INC	MISTER P EXPRESS, INC 801 TREY STREET JEFFERSONVILLE, IN 47130	5	03/28/2014	2014-004	E	$1,550.00	$0.00	P&C THIRD PARTY
NORTH EAST MARINE SERVICES, INC.	NORTH EAST MARINE SERVICES, INC. P O BOX 647 NORTH EAST, PA 16428	16	04/28/2014		E	$1,299.00	$1,299.00	RETURN PREMIUM
PA FISH AND BOAT COMMISSION	PA FISH AND BOAT COMMISSION BRENDA VERNER 1601 ELMERTON AVE HARRISBURG, PA 17110	22	06/09/2014	2014-007	E	$1,023.58	$0.00	P&C INSURED
PLANTS AND GOODWIN, INC	PLANTS AND GOODWIN, INC 1034 RT 44 SHINGLEHOUSE, PA 16748	13	04/17/2014		E	$2,139.00	$0.00	RETURN PREMIUM
RELIABLE AGGREGATE TRANSPORTATION SERVICE	RELIABLE AGGREGATE TRANSPORTATION SERVICE 17 ARENTZEN BLVD SUITE 206 CHARLEROI, PA 15022	14	04/17/2014		E	$5,000.00	$0.00	GEN CRED

EXHIBIT B

Resolved Claims Report

Estate:COMMONWEALTH INSURANCE COMPANY

Report Period: Mar 20, 2014 - Dec 31, 2014

Number of Resolved Claims for the Period	0	Amount Claimed for the Period	0	Approved Amount for the Period	0

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service via eservice through PACFile, addressed as follows:

William R. Balaban, Esquire
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PRESTON M. BUCKMAN (I.D. #57570)
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Harrisburg, PA 17102
(717) 787-6009

Counsel for the Statutory Liquidator of Commonwealth Insurance Company

DATED: 3/17/15

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Commonwealth Insurance Company, :
In Liquidation : No. 1 CIC 2014

RE: Liquidator's Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from March 20, 2014 to December 31, 2014.

ORDER

AND NOW, this _____ day of _____, 2015, upon consideration of the Liquidator's Application for Approval of Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from March 20, 2014 to December 31, 2014 ("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED and the claims listed in the Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from March 20, 2014 to December 31, 2014 ("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.

DAN PELLEGRINI, PRESIDENT JUDGE

COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

March 17, 2015

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

Re: In Re: Commonwealth Insurance Company (In Liquidation)
No. 1 CIC 2014

Dear Mr. Krimmel:

Attached please find the Liquidator's Application for Approval of Report and Recommendations on Commonwealth Insurance Company Claims Undisputed and Resolved from March 20, 2014 to December 31, 2014, with regard to the above-referenced matter.

Thank you for your assistance in this matter.

Very truly yours,

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosures