

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Excalibur Reinsurance Corporation (In Liquidation) :
: No. 1 ERC 2016

Re: Liquidator's Amended Application for Approval of Amended Report and Recommendations on Excalibur Reinsurance Corporation Claims Undisputed and Resolved from July 1, 2018 to June 30, 2019

MEMORANDUM AND ORDER

Presently before the Court is the Liquidator's Amended Application for Approval of Amended Report and Recommendations on Excalibur Reinsurance Corporation (Excalibur) Claims Undisputed and Resolved from July 1, 2018 to June 30, 2019 (Amended Application). The Liquidator has provided summary information on 71 undisputed claims with a recommended allowed amount of \$10,983,346.61. No responses have been filed to the Amended Application.

Pursuant to Pa. R.A.P. 3784(a) (addressing reports of the Liquidator) and Section 545(a) of The Insurance Department Act of 1921 (Act), Act of May 17, 1921, P.L. 789, *as amended*, 40 P.S. § 221.45(a) (pertaining to the Liquidator's report containing recommendations on claims),¹ the Liquidator is required to present to the Court a report of the claims against the Excalibur estate along with her recommendations. The Liquidator's Amended Undisputed and Resolved Claims Report (Amended Report), which contains only undisputed claims, is attached to the Amended Application.² For each claim listed, the Amended Report

¹ Section 545 of the Act was added by the Act of December 14, 1977, P.L. 280.

² Undisputed claims are those that are determined and finalized without an objection. There were no resolved claims during the reporting period. Resolved claims include claims where (1) the

details the claimant's name and address, the date the proof of claim was received, the proof of claim number assigned, the priority classification assigned,³ the total amount claimed and ultimately allowed, and a brief description of the nature of the claim. According to the Liquidator, 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 the Act." Amended Application ¶ 10. The Liquidator has further represented:

[T]he 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 Amended Report is in the best interests of the Excalibur estate, claimants and other creditors.

Amended Application ¶ 11.

As this Court noted in its prior Order approving a similar application by the Liquidator, the Liquidator has broad discretion to administer the Excalibur estate in order to protect the interests of its policyholders, creditors, and the general public. Considering the Liquidator's averments, 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 Amended Application and approve the Amended Report as directed in the following Order.

Court resolves exceptions to a referee's recommended decision, (2) the referee renders a recommended decision and no exceptions are filed, and (3) the parties agreed to a settlement.

³ By order dated July 19, 2019, this Court directed the Liquidator to file an amended undisputed claims report, setting forth the basis for claims designated priority classification "G" pursuant to Section 544(g) of the Act, by reference to the appropriate paragraph of that section. The Liquidator complied and filed the Amended Application and Amended Report on July 26, 2019.

AND NOW, this 27th day of August, 2019, the Amended Application is GRANTED as follows:

1. The claims listed in the Amended Report, attached to the Amended Application, are approved and allowed both as to the classification and amount listed;

2. The Amended Report is incorporated herein by reference; and

3. The claimants listed in the Amended Report or their lawful assignees shall receive a distribution in accordance with Section 544 of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, *as amended*, added by the Act of December 14, 1977, P.L. 280, 40 P.S. § 221.44, at the time and in the manner as approved by this Court.


P. KEVIN BROBSON, Judge