

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Excalibur Reinsurance Corporation, :
In Liquidation : No. 1 ERC 2016

APPLICATION SEEKING DISCHARGE OF THE LIQUIDATOR
IN ACCORDANCE WITH 40 P.S. § 221.48(a)

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator (hereinafter, "Liquidator") of Excalibur Reinsurance Corporation ("Excalibur"), by her undersigned counsel, respectfully represents that:

1. Excalibur was placed in liquidation by Order of this Court dated July 18, 2016 ("the Liquidation Order").
2. On October 28, 2020, the Liquidator filed with this Court her Final Accounting, Proposal for Final Distribution, and Application for Approval of Notice ("First Application"), seeking to make a final distribution of those assets she has collected in accordance with 40 P.S. § 221.44.
3. This Court approved the Notice of the First Application on November 30, 2020, after which the Liquidator mailed the Notice of the First Application to all known claimants on December 2, 2020. The Liquidator did not receive any objections to the Notice of the First Application.

4. The Liquidator filed an Application for Approval of Final Accounting, Final Distribution and Recommendation for Disposition of Records Pursuant to 40 P.S. § 221.50 on January 14, 2021, seeking this Court's approval of her final accounting, final distribution, and her recommendation regarding the disposition of records.

5. By Order dated February 12, 2021, this Court, *inter alia*, approved the Liquidator's final accounting and authorized the Liquidator to distribute the assets of Excalibur in accordance with paragraph 6 of the First Application. After completing the final distribution of assets, the February 12, 2021 Order directed the Liquidator to file, in accordance with 40 P.S. § 221.48(a), an application seeking discharge of the Liquidator, in which the Liquidator was also directed to inform the Court whether any administrative expenses remain unpaid, and if so, the amount. The Liquidator was also directed to notify the Court if any funds remain undistributed and in the possession and control of the Liquidator and, if so, the amount so remaining.

6. On March 26, 2021, checks were distributed to the various claimants to complete the final distribution of Excalibur's assets, as approved by this Court.

7. There are no administrative expenses that remain unpaid, nor are there any undistributed funds remaining in the possession and control of the Liquidator.

8. In the event that any assets are unexpectedly received post discharge, the Liquidator seeks approval to dispose of said funds in accordance with Section 547 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. § 221.47.

9. This Court has authorized the Liquidator to dispose of post discharge assets in accordance with 40 P.S. § 221.47 in other liquidation proceedings. For example, in the Westmoreland Casualty Company liquidation, this Court authorized the Liquidator to dispose of

any post discharge assets remaining in her possession as of a date certain following the discharge, as well as any assets received after that date. (See copy of October 28, 2020 Order from the Westmoreland Casualty Company liquidation proceeding attached hereto as Exhibit A). Should the Court so authorize the Liquidator in this case, the Liquidator would suggest the date certain be June 1, 2022. Alternatively, in the Legion and Villanova liquidation proceedings, this Court addressed the disposition of post-discharge assets with different language, albeit language that effectuates a substantively similar result. (See Exhibit B attached hereto for copies of the July 25, 2019 Orders in the Legion Insurance Company and Villanova Insurance Company liquidation proceedings, which were amended by Orders dated July 31, 2019, to address the disposition of post-discharge assets.)

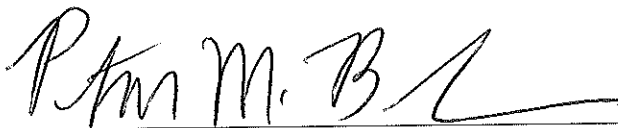
WHEREFORE, in accordance with paragraph four of this Court's February 12, 2021 Order, the Liquidator files this Application and prays your Honorable Court that:

1. Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and her predecessors in office, be discharged as Statutory Liquidator of Excalibur Reinsurance Corporation (In Liquidation) and be released from any liability to make payment of any further claims.

2. The Liquidator be authorized to dispose of any funds remaining in her possession post-discharge as of June 1, 2022, as well as any assets received after that date, in accordance with Section 547 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. § 221.47. Or, alternatively, the Liquidator be authorized to dispose of any funds that are uneconomic to distribute remaining in her possession and control after the final discharge in accordance with the dictates of Sections 547 and 548 of Article V, 40 §§ 221.47, 221.48. (The Liquidator's proposed Order, attached hereto,

reflects these two alternative forms of relief regarding the disposition of post discharge assets for the Court's consideration.)

Respectfully submitted,



PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Governor's Office of General Counsel
901 North 7th Street, Suite 201
Harrisburg, PA 17102
(717) 886-2080

Attorney for Jessica K. Altman, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her capacity as Statutory Liquidator
of Excalibur Reinsurance Corporation, In
Liquidation

Dated: September 21, 2021

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Jessica K. Altman,
Insurance Commissioner of the
Commonwealth of Pennsylvania,
Plaintiff

No. 2645 C.D. 1987

Westmoreland Casualty Company,
Defendant


ORDER

NOW, October 28, 2020, upon consideration of the foregoing Application Seeking Discharge of the Liquidator in Accordance with P.S. 221.48(a) ("Application"), it is ordered and decreed that:

1. Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and her predecessors in office, are discharged as Statutory Liquidator of Westmoreland Casualty Company (In Liquidation) and are released from any liability to make payment of any further claims.

2. The Liquidator is authorized to dispose of any funds remaining in her possession post* discharge as of June 1, 2021, in accordance with Section 547 of the Insurance Department Act of 1921, Act of May 17, 1921, PL. 789, as amended, added by the Act of December 14, 1977, PL. 280, 40 P.S. 221.47. In the unlikely event that any assets are received after June 1, 2021, the Liquidator is authorized to dispose of those assets in the same manner,

BY THE COURT:



BONNIE BRIGANCE LEADBETTER,
Senior Judge

Certified from the Record

OCT 28 2020

And Order Exit

EXHIBIT B

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company :
(In Liquidation) : 1 LEG 2002

ORDER

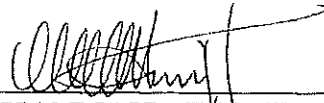
AND NOW, this 25th day of July, 2019, upon consideration of the Application for Discharge of the Liquidator and Approval of Her Recommendation Regarding the Disposition of Records (Application), it is ORDERED that:

1. Pursuant to Section 548 of Article V of the Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by Section 2 of the Act of December 14, 1977, P.L. 280 (Article V), 40 P.S. §221.48, effective October 1, 2019, Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, is discharged as Statutory Liquidator of Legion Insurance Company (In Liquidation) and is released from any liability to make payment of any further claims.

2. Pursuant to Section 522 of Article V, 40 P.S. §221.22, effective October 1, 2019, Legion Insurance Company (In Liquidation) is dissolved by operation of law.

3. Pursuant to Section 548 of Article V, 40 P.S. §221.48, any undistributed funds remaining in the Liquidator's possession and control after final discharge will be transferred to the Office of the Comptroller, where they will be held in a designated account and disbursed by the Comptroller to cover the cost of wind-down activities related to the liquidation, such as document storage and destruction, preparation and filing of tax returns, and preparation and filing of final payroll documents for estate employees.

4. Pursuant to Section 550 of Article V, 40 P.S. §221.50, effective as of the date of this Order the Liquidator is authorized to dispose of the records of Legion in accordance with the recommendation attached to the Application as Exhibit A.



MARY HANNAH LEAVITT, President Judge

Certified from the Record

JUL 25 2019

And Order Exit

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company :
(In Liquidation) : 1 LEG 2002


AMENDMENT ORDER

AND NOW, this 31st day of July, 2019, the Court's order in the above matter, filed July 25, 2019, is amended to reflect the following correction:

Page 1, Paragraph (3), should read as follows:

3. The Liquidator shall dispose of any funds that are uneconomic to distribute remaining in her possession and control after final discharge in accordance with the dictates of Sections 547 and 548 of Article V, 40 P.S. §§221.47, 221.48.

In all other respects, the order shall remain in effect.



MARY HANNAH LEAVITT, Judge

Certified from the Record

JUL 31 2019

And Order Exit

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company :
(In Liquidation) : 1 VIL 2002

ORDER

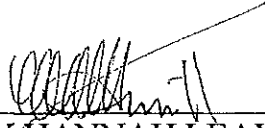
AND NOW, this 25th day of July, 2019, upon consideration of the Application for Discharge of the Liquidator and Approval of Her Recommendation Regarding the Disposition of Records (Application), it is ORDERED that:

1. Pursuant to Section 548 of Article V of the Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by Section 2 of the Act of December 14, 1977, P.L. 280 (Article V), 40 P.S. §221.48, effective October 1, 2019, Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, is discharged as Statutory Liquidator of Villanova Insurance Company (In Liquidation) and is released from any liability to make payment of any further claims.

2. Pursuant to Section 522 of Article V, 40 P.S. §221.22, effective October 1, 2019, Villanova Insurance Company (In Liquidation) is dissolved by operation of law.

3. Pursuant to Section 548 of Article V, 40 P.S. §221.48, any undistributed funds remaining in the Liquidator's possession and control after final discharge will be transferred to the Office of the Comptroller, where they will be held in a designated account and disbursed by the Comptroller to cover the cost of wind-down activities related to the liquidation, such as document storage and destruction, preparation and filing of tax returns, and preparation and filing of final payroll documents for estate employees.

4. Pursuant to Section 550 of Article V, 40 P.S. §221.50, effective as of the date of this Order the Liquidator is authorized to dispose of the records of Villanova in accordance with the recommendation attached to the Application as Exhibit A.



MARY HANNAH LEAVITT, President Judge

Certified from the Record

JUL 25 2019

And Order Entered

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company :
(In Liquidation) : 1 VIL 2002

AMENDMENT ORDER

AND NOW, this 31st day of July, 2019, the Court's order in the above matter, filed July 25, 2019, is amended to reflect the following correction:

Page 1, Paragraph (3), should read as follows:

3. The Liquidator shall dispose of any funds that are uneconomic to distribute remaining in her possession and control after final discharge in accordance with the dictates of Sections 547 and 548 of Article V, 40 P.S. §§221.47, 221.48.

In all other respects, the order shall remain in effect.



MARY HANNAH LEAVITT, Judge

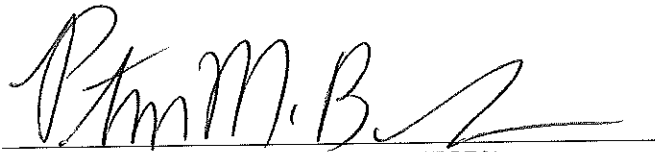
Certified from the Record

JUL 31 2019

And Order Exh

**CERTIFICATION OF COMPLIANCE
WITH PUBLIC ACCESS POLICY**

I certify that this filing complies with the provisions of the Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts that require filing confidential information and documents differently than non-confidential information and documents.



Preston M. Buckman (I.D. No. 57570)
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Governor's Office of General Counsel
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(717) 886-2080

Attorney for Jessica K. Altman, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her capacity as Statutory Liquidator
of Excalibur Reinsurance Corporation, In
Liquidation

Dated: September 21, 2021

CERTIFICATE OF SERVICE

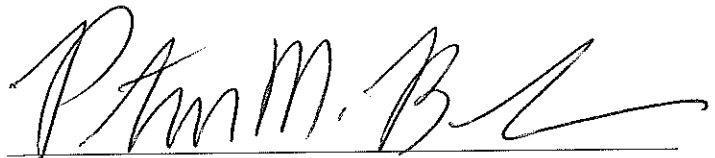
I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service via email or regular U.S. Mail addressed as follows:

Keith E. Kaplan, Esq.
Chief Liquidation Officer
c-kkaplan@pa.gov
Excalibur Reinsurance Corporation,
In Liquidation
1880 JFK Blvd., Suite 801
Philadelphia, PA 19103

Robert W. Blazer, III, Managing
Director of Reinsurance
Markel Corporation
310 Highway 35 South
Red Bank, NJ 07701
(732) 391-8863

William D. Goddard, Esq.
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242 Trumbull Street
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Attorney for Jessica K. Altman, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her capacity as Statutory Liquidator
of Excalibur Reinsurance Corporation, In
Liquidation

Dated: September 21, 2021

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Excalibur Reinsurance Corporation, :
In Liquidation : No. 1 ERC 2016

ORDER

AND NOW, this ____ day of _____, 2021, upon consideration of the foregoing Application Seeking Discharge of the Liquidator in Accordance with 40 P.S. § 221.48(a) (“Application”), it is ordered and decreed that:

1. Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and her predecessors in office, are discharged as Statutory Liquidator of Excalibur Reinsurance Company (In Liquidation) and are released from any liability to make payment of any further claims.

2. The Liquidator is authorized to dispose of any funds remaining in her possession post- discharge as of June 1, 2022, as well as any assets received after that date, in accordance with Section 547 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. § 221.47.

[Or, alternatively, for proposed paragraph 2]

2. The Liquidator is authorized to dispose of any funds that are uneconomic to distribute remaining in her possession and control after the final discharge in accordance with the dictates of Sections 547 and 548 of Article V, 40 §§ 221.47, 221.48.

P. KEVIN BROBSON, PRESIDENT JUDGE



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

September 21, 2021

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

Dear Mr. Krimmel:

Attached for filing please find our Application Seeking Discharge of the Liquidator in Accordance with 40 P.S. § 221.48(a), with regard to the above-referenced matter.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Preston M. Buckman".

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosure