

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Healthcare Providers Insurance :
Exchange, In Liquidation : No. 1 HPI 2017

**APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON HEALTHCARE PROVIDERS INSURANCE EXCHANGE CLAIMS
UNDISPUTED AND RESOLVED
FROM JANUARY 1, 2019 TO DECEMBER 31, 2019**

Applicant, Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator (“Liquidator”) of Healthcare Providers Insurance Exchange (“HPIX”), 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 Healthcare Providers Insurance Exchange Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019. In support of her Application, the Liquidator avers the following:

BACKGROUND

Then-Acting Insurance Commissioner Jessica K. Altman, and her successor-in-office, was appointed Statutory Liquidator of HPIX pursuant to this Court’s Order dated January 12, 2018 (“Liquidation Order”). Ms. Altman has since been confirmed and is now the Insurance Commissioner.

2. The Liquidation Order provided that, “In addition to the notice requirements of Section 524 of Article V¹, 40 P.S. § 221.24, regarding the expediency and manner of the Liquidator’s notice, as well as the requirement that claimants be notified that they are required to file their claims with the Liquidator along with proper proofs thereof as mandated by Section 538 of Article V, 40 P.S. § 221.38, and keep the Liquidator informed of any change in address, the Liquidator shall publish notice in newspapers of general circulation where HPIX has its principal places of business that: (a) explains the procedure by which claims against the estate of HPIX may be submitted to the Liquidator; (b) provides the address of the Liquidator’s office for the submission of claims; and (c) notifies the public of the right to present a claim, or claims, to the Liquidator.” See Liquidation Order, ¶ 7. By February 2, 2018, 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 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 the Liquidator to present to the Court a report of the claims against the insurer’s estate that have been resolved, with recommendations, including the information required by 40 P.S. § 221.45, as well as the priority class, and whether the claim

¹See The Insurance Department Act of 1921, Act of May 17, 1921, 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).

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.

**REPORT AND RECOMMENDATIONS ON CLAIMS
UNDISPUTED AND RESOLVED AS OF DECEMBER 31, 2019**

4. The Liquidator's Report and Recommendations on Healthcare Providers Insurance Exchange Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019, 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 Determinations ("NODs") issued by the Liquidator for which the objection period expired on or before December 31, 2019. In this Report, the Liquidator respectfully submits her recommendations for a total of 27 Undisputed Claims with an allowed amount of \$4,873,335.24, in accordance with Pa.R.A.P. 3784(a) and 40 P.S. § 221.45, for this Court's approval. 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

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

or before December 31, 2019. There were no Resolved Claims during the reporting period, as reflected in Exhibit B attached hereto.

7. As set forth in Exhibits A and B, the Liquidator respectfully submits her recommendations for a total of 27 claims with a total allowed amount of \$4,873,335.24 in accordance with Pa.R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court's approval.

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 Article V. 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 Article V. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the HPIX 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,



PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Office of Liquidations, Rehabilitations
& Special Funds
Governor's Office of General Counsel
Capital Associates Building
901 North 7th Street
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 Healthcare Providers Insurance Exchange, In
Liquidation

Dated: 1/7/20

EXHIBIT A

Undisputed and Resolved Claims

Undisputed Claims

HEALTHCARE PROVIDERS INSURANCE EXCHANGE

Report Period: 01/01/2019 thru 12/31/2019

Number of Undisputed Claims:	27	Amount Claimed:	5,638,649.80	Amount Approved:	4,873,335.24
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Undisputed and Resolved Claims
Undisputed Claims

HEALTHCARE PROVIDERS INSURANCE EXCHANGE

Report Period: 01/01/2019 thru 12/31/2019

Name	Address	POC #	POC Received Date	Claim Numbers	Class	Total Claimed Amount	Total Allowed Amount	Claim Particulars
BOMBA, EDWARD	BOMBA, EDWARD 1053C SHETLAND DRIVE LAKEWOOD, NJ 08701	5782	07/31/2019	3150009A	B	1,200,000.00	700,000.00	P&C THIRD PARTY
CORCORAN, CYNTHIA	CORCORAN, CYNTHIA DAVID INSGHO, KLINE & SPECTOR 1525 LOCUST STREET PHILADELPHIA, PA 19102	5946	08/08/2018	11500068B	B	200,000.00	200,000.00	P&C THIRD PARTY
CORCORAN, CYNTHIA	CORCORAN, CYNTHIA DAVID INSGHO, KLINE & SPECTOR 1525 LOCUST STREET PHILADELPHIA, PA 19102	6151	08/08/2018	11500066A	B	200,000.00	200,000.00	P&C THIRD PARTY
DAVIS, REGINALD	DAVIS, REGINALD 5332 AVION PARK DRIVE TAMPA, FL 33607	6150	07/31/2018	4140121A	B	0.00	0.00	P&C INSURED
FABRIZIO, THERESA	FABRIZIO, THERESA , STEPHEN POKINIEWSKI 130 N 18TH ST ONE LOGAN SQUARE STE 1600 PHILADELPHIA, PA 19103	5940	12/17/2018	5009965-01	B	200,000.00	200,000.00	P&C THIRD PARTY
FAVA, MICHAEL	FAVA, MICHAEL C/O CAROL L FORTI ONE MAIN ST CHATHAM, NJ 07928-0924	5788	07/25/2018	3140021A, 3140021B	B	2,000,000.00	1,400,000.00	P&C THIRD PARTY
LACHENAL, EDGARDO	LACHENAL, EDGARDO 8 LONGWOOD LANE WOORESTOWN, NJ 08057	6128	05/24/2018	3140030A	B	0.00	0.00	P&C INSURED
MICALARY, JENNIFER	MICALARY, JENNIFER 158 LONGFORD ROAD WEST CHESTER, PA 19380	5980	06/19/2018	1140049B	B	200,000.00	200,000.00	P&C THIRD PARTY
SANDAU, ROY	SANDAU, ROY 2201 CHAPEL AVE WEST STE 100 CHERRY HILL, NJ 08002	5743	04/18/2018	3140015A	B	0.00	0.00	P&C INSURED
SILVERMAN, SUSAN	SILVERMAN, SUSAN , RYAN CHASE ONE LIBERTY PLACE 1650 MARKET ST. STE 3450 PHILADELPHIA, PA 19103	6125	05/22/2018	1150007B-03	B	0.00	200,000.00	P&C THIRD PARTY
SILVERMAN, SUSAN	SILVERMAN, SUSAN , RYAN CHASE ONE LIBERTY PLACE 1650 MARKET ST. STE 3450 PHILADELPHIA, PA 19103	6124	05/22/2018	1150007B	B	0.00	200,000.00	P&C THIRD PARTY
SILVERMAN, SUSAN	SILVERMAN, SUSAN , RYAN CHASE ONE LIBERTY PLACE 1650 MARKET ST. STE 3450 PHILADELPHIA, PA 19103	6046	05/22/2018	1150007A	B	0.00	200,000.00	P&C THIRD PARTY
SMITH, DEBORAH	SMITH, DEBORAH 4641 SPENCER DRIVE SCHWENKSVILLE, PA 19473	5996	07/10/2018	1130186A	B	0.00	200,000.00	P&C THIRD PARTY

Undisputed and Resolved Claims

HEALTHCARE PROVIDERS INSURANCE EXCHANGE

Report Period: 01/01/2019 thru 12/31/2019

Name	Address	POC #	POC Received Date	Claim Numbers	Class	Total Claimed Amount	Total Allowed Amount	Claim Particulars
SMITH, DEBORAH	SMITH, DEBORAH 4641 SPENCER DRIVE SCHWENKSVILLE, PA 19473	6140	07/10/2018	11301863	B	0.00	0.00	P&C THIRD PARTY
WATKINS, JILL	WATKINS, JILL DAVID J. COLLERAN ESQ. THE COLLERAN FIRM 2005 MARKET ST. SUITE 1940 PHILADELPHIA, PA 19103	5979	05/10/2018	11301348	B	0.00	0.00	P&C THIRD PARTY
DAITER, ERIC	DAITER, ERIC SOUTH ROHALLON DR RUMSON, NJ 08822	6169	03/25/2019		E	15,000.00	15,000.00	GENERAL CREDITOR
HOCHREITER, GEORGE	HOCHREITER, GEORGE 403 CAPE MAY AVE PONTE VEDRA, FL 30281	6168	03/15/2019		E	30,000.00	30,000.00	GENERAL CREDITOR
KAPLAN LEAMAN AND WOLFE COURT REPORTERS	KAPLAN LEAMAN AND WOLFE COURT REPORTERS 230 S BROAD STREET SUITE 1303 PHILADELPHIA, PA 19102	6163	01/22/2019	1110175A	E	469.65	469.65	GEN CREDITOR - PRE LIQUIDATION LEGAL EXPENSE
KILCOYNE & NESBITT, LLC	KILCOYNE & NESBITT, LLC 925 HARVEST DRIVE SUITE 200 BLUE BELL, PA 19422	6174	06/19/2019	1120230A, 1130167A, 1130169A, 1130208B, 1140149A, 1140167A, 1140217A, 1150021A-02, 1150044A, 1150048A-04, 1150055A, 1150066A, 1150092B, 1150121A-02, 1150183A, 1150195C, 1150204B, 1150209B	E	53,628.95	47,262.23	GEN CREDITOR - PRE LIQUIDATION LEGAL EXPENSE
ONTELLUS	ONTELLUS 1777 TAMAMI TROU STE 406 PORT CHARLOTTE, FL 33948	6161	01/07/2019		E	255.21	0.00	GENERAL CREDITOR
PAPASTAVROS ASSOCIATES MEDICAL IMAGING LLC	PAPASTAVROS ASSOCIATES MEDICAL IMAGING LLC 1701 AUGUSTINE CUT-OFF BLD 4, SUITE 100 WILMINGTON, DE 19803	6159	10/18/2018		E	28,782.00	28,782.00	GENERAL CREDITOR
RADIOLOGY ASSOCIATES OF THE MAIN LINE PC	RADIOLOGY ASSOCIATES OF THE MAIN LINE PC 255 W LANCASTER AVE PAOLI, PA 19301	6160	12/14/2018		E	71,225.00	71,225.00	GENERAL CREDITOR
SMYLES, JOHN	SMYLES, JOHN 21 DEAVER PL WYMCOTE, PA 19095	6139	07/02/2018		E	4,800.00	4,800.00	GENERAL CREDITOR
STAHL & DELAURENTIS PC	STAHL & DELAURENTIS PC 10 E CLEMENTS BRIDGE RD RUNNEMEDE NJ 08078	13	02/22/2018	1150134A, 3-15-0010A, 3120023A, 3130002A, 3140008A, 3140015A, 3140034A, 5010244-01	E	8,146.63	2,181.00	GEN CREDITOR - PRE LIQUIDATION LEGAL EXPENSE

Undisputed and Resolved Claims
Undisputed Claims

HEALTHCARE PROVIDERS INSURANCE EXCHANGE

Report Period: 01/01/2019 thru 12/31/2019

Name	Address	POC #	POC Received Date	Claim Numbers	Class	Total Claimed Amount	Total Allowed Amount	Claim Particulars
THE MCS GROUP, INC.	THE MCS GROUP, INC. 1601 MARKET STREET SUITE 800 PHILADELPHIA, PA 19103	6170	04/19/2019	1120036A, 1120205A, 1130108A, 1130208B, 1140035A, 1140126A, 1140184A, 1150024A, 1150090A, 1150092A, 1150106A, 1150118A, 1150148A, 1150163A, 1150180A-02, 1150213A, 3140028A, 3150014A, 5009592 01, 5010150-01, 5010202-01, 5010424-01 5010531-01, 5010793-01, 5010905-01	E	11,440.36	11,440.36	GEN CREDITOR - PRE LIQUIDATION LEGAL EXPENSE
LETTER, MARK	LETTER, MARK 1145 HERKNESS DR MEADOWBROOK, PA 19046	6079	03/12/2018		H	212,715.00	212,175.00	SURPLUS NOTES
RUXTON INSURANCE CO LTD	RUXTON INSURANCE CO LTD 6701 NORTH CHARLES ST TOWSEN, MD 21204	6154	08/09/2018		H	1,202,187.00	750,000.00	SURPLUS NOTES

EXHIBIT B

Undisputed and Resolved Claims
Resolved Claims

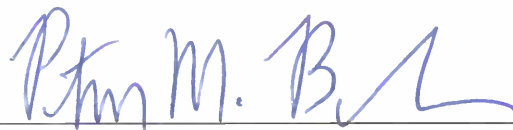
HEALTHCARE PROVIDERS INSURANCE EXCHANGE

Report Period: 01/01/2019 thru 12/31/2019

Number of Resolved Claims:	0	Amount Claimed:	\$0.00	Amount Approved:	\$0.00
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**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)
PA Office of General Counsel
Pennsylvania Insurance Department
Office of Liquidations, Rehabilitations
and Special Funds
901 North 7th Street
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 Healthcare Providers Insurance
Exchange, In Liquidation

Dated: _____

1/7/20

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 Pa. R.A.P. 3780, in the following manner:

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

Carl Maio, Esquire
CAMaio@foxrothschild.com
Healthcare Providers Insurance Exchange
1250 Camp Hill Bypass, Suite 108
Camp Hill, PA 17011

Steven Sawyer, Senior Vice President
Steven.Sawyer@MMICNC.com
Corporate Administration
700 Spring Forest Road, Suite 400
Raleigh, NC 27609

Paul G. Gagne, Esquire
pgagne@kleinbard.com
Kleinbard LLC
One Liberty Place, 46th Floor
1650 Market Street
Philadelphia, PA 19103
(215) 568-2000
(215) 568-0140 (Fax)

Edward S. Goodman, Esquire
esg@swimonsonlegal.com
Simonson Goodman Platzer PC
111 John Street
New York, NY 10038
(212) 233-5001
(212-223-0684 (Fax))



PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Office of Liquidations, Rehabilitations
& Special Funds
Governor's Office of General Counsel
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 886-2080

Dated: _____

1/7/20

Attorney for Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Liquidator of Healthcare Providers Insurance Exchange, In Liquidation

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Healthcare Providers Insurance :
Exchange, In Liquidation : No. 1 HPI 2017

RE: Liquidator's Report and Recommendations on Healthcare Providers Insurance Exchange
Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019

ORDER

AND NOW, this ____ day of _____, 2020, upon consideration of the Liquidator's Application for Approval of Report and Recommendations on Healthcare Providers Insurance Exchange Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019 ("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED, and the claims listed in the Report and Recommendations on Healthcare Providers Insurance Exchange Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019 ("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.

P. KEVIN BROBSON, JUDGE



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

January 7, 2020

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: Healthcare Providers Insurance Exchange ("HPIX") (In Liquidation)
No. 1 HPI 2017***

Dear Mr. Krimmel:

Attached for filing please find the Liquidator's Application for Approval of Report and Recommendations on Healthcare Providers Insurance Exchange Claims Undisputed and Resolved from January 1, 2019 to December 31, 2019, with regard to the above-referenced matter.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "P. M. Buckman".

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosure