

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company, : No. 1 LEG 2002
(In Liquidation) :

**LIQUIDATOR'S APPLICATION FOR APPROVAL OF FINAL
ACCOUNTING AND PLAN FOR FINAL DISTRIBUTION**

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator ("Liquidator") of Legion Insurance Company ("Legion"), by her undersigned attorney, pursuant to 40 P.S. § 221.46 and 40 P.S. § 221.48, respectfully applies to the Court to approve the final accounting and plan for final distribution of Legion's assets to its claimants, and thus represents:

1. By Order of this Court dated July 25, 2003, Legion was ordered liquidated, and the Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Statutory Liquidator and directed to take possession of Legion's property and to liquidate its business and affairs. Jessica K. Altman, in her capacity as Insurance Commissioner, is the Liquidator of the Legion estate.

2. On October 31, 2018, the Liquidator filed with this Court her Final Accounting, Plan for Final Distribution and Application for Approval of Notice (the "October 31

Application”), seeking to make a final distribution of those assets she has collected, in accordance with 40 P.S. § 221.44.

3. The Court approved the form and scope of the notice by Order dated November 21, 2018. The Court ordered the Liquidator to provide notice to all claimants who had a claim valued on a Class Only basis, and those with claims valued in excess of zero dollars (\$0.00). Copies of the Order and Notice are attached hereto as Exhibits A and B, respectively.

4. The Notice was mailed to claimants on December 3, 2018. It was soon determined that notices sent to eight of the fifteen total foreign addressees were sent with domestic rather than international postage, so on December 13, 2019, notices were re-sent to all fifteen foreign addressees.

5. In response to the Notice, on January 4, 2019, one objection was filed with the Court. On January 18, 2019, that objection was withdrawn by the objector. The letter withdrawing the objection is attached as Exhibit C.

6. The Liquidator received over 100 phone calls and emails inquiring about the information contained in the Notice.

7. The Liquidator has responded to all claimant inquiries related to the Notice.

8. The Liquidator has reviewed the addresses of those class (b) claimants whose notices were returned as undeliverable and made appropriate address corrections to the claimant mailing list where possible and stands ready to begin paying claims.

9. The October 31 Application proposed that the Liquidator maintain a reserve of \$7,880,795 (the “Proposed Reserve”), which consisted of three categories. The Liquidator proposed that only the last category, for potential unbudgeted legal expenses, be added to the funds to be distributed if not spent. Since investment income has been higher and administrative

expenses have been lower than projected, the Liquidator proposes that whatever portion of the Proposed Reserve has not been incurred as of the time of distribution be added to the funds to be distributed, after a reserve of \$4.3 million for post-distribution expenses.

10. Accordingly, the Liquidator now files this Application for Approval of Final Accounting and Plan for Final Distribution pursuant to 40 P.S. § 221.46.

WHEREFORE, the Liquidator prays your Honorable Court that:

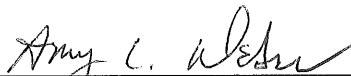
1. The Application for Approval of Final Accounting and Final Distribution of Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania as Statutory Liquidator (“Liquidator”) of Legion Insurance Company (In Liquidation) (“Legion”), be approved and confirmed absolutely.

2. The Liquidator be authorized to make distribution of the assets of Legion in accordance with paragraph 15 of the Liquidator’s Final Accounting and Plan for Distribution as follows:

- a. Priority class (a) claims will be paid at 100%.
- b. Priority class (b) claims will be paid at least 94%, including previously paid interim partial distributions.
- c. Priority class (c) claims will not be paid.
- d. There are no priority class (d) claims.
- e. Priority class (e) claims will not be paid.
- f. Priority class (f) claims will not be paid.
- g. Priority class (g) claims will not be paid.
- h. There are no priority class (h) claims.
- i. There are no priority class (i) claims.

3. In accordance with 40 P.S. §§ 221.48(a) and 221.50, following the completion of the final distribution of assets, the Liquidator shall file an application seeking discharge of the Liquidator and a Recommendation for Disposition of Records.

Respectfully submitted,



AMY L. WEBER (I.D. #45447)

aweber@pa.gov

Insurance Department Counsel

Office of Liquidations, Rehabilitations and
Special Funds

Capitol Associates Building

901 North 7th Street

Harrisburg, PA 17102

(717) 886-2082

(717) 772-4543 (Fax)

Counsel for Jessica K. Altman, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as Statutory
Liquidator of Legion Insurance Company (In
Liquidation)

DATED: 1/24/19

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

ORDER

AND NOW, this 20th day of November, 2018, it is ORDERED and DECREED that:

1. Upon consideration of the Liquidator's Application for Approval of Notice of Final Accounting and Plan for Final Distribution (Application), which requests, among other things, approval of the Notice to claimants having a Class Only claim or a claim valued in excess of zero dollars (\$0.00) (attached to the Application as Exhibit D), the form of Notice is APPROVED.

2. The Liquidator shall mail the Notice by first-class mail to all claimants listed in Exhibit B to the Application and to all persons on the Master Service List as soon as practicable after receipt of this Order.

3. Objections to the Final Accounting and Plan for Final Distribution must be filed in writing with the Commonwealth Court of Pennsylvania, Office of the Chief Clerk, 601 Commonwealth Avenue, Suite 2100, Harrisburg, Pennsylvania 17106-9185. In the event of such filing, please refer to Docket No. 1 LEG 2002.

4. Objections must be filed within 30 days of the date of mailing of the Notice, or they shall be forever barred.


MARY HANNAH LEAVITT, President Judge

Certified from the Record

NOV 21 2018

And Order Exit

EXHIBIT B

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Legion Insurance Company,
In Liquidation

No. 1 LEG 2002

**NOTICE TO ALL
CLAIMANTS OF LEGION
INSURANCE COMPANY**

PLEASE TAKE NOTICE that Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and as such, Statutory Liquidator of Legion Insurance Company (In Liquidation) ("Liquidator"), has filed her Final Accounting and Plan for Final Distribution, which sets forth the steps taken in this liquidation during this period of time.

PLEASE TAKE FURTHER NOTICE that the total for class (a), (b), (c), (e), (f) and (g) claims that has been approved and allowed is \$2,417,703,784. There are no class (d), (h) or (i) claims. The total funds available for distribution, after payment of administrative expenses incurred by the Liquidator, are \$2,169,599,712.

The Liquidator requests that:

1. The Final Accounting and Plan for Final Distribution of Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator of Legion Insurance Company (In Liquidation) ("Legion"), be approved and confirmed absolutely.
2. The Liquidator be authorized to make a distribution of the funds of Legion as follows:
 - a. Priority class (a) claims will be paid at 100%.
 - b. Priority class (b) claims will be paid at least 94%, including previously paid interim partial distributions.
 - c. Priority class (c) claims will not be paid.
 - d. There are no priority class (d) claims.
 - e. Priority class (e) claims will not be paid.
 - f. Priority class (f) claims will not be paid.
 - g. Priority class (g) claims will not be paid.
 - h. There are no priority class (h) claims.
 - i. There are no priority class (i) claims.

The Liquidator's form of Notice is being sent by first class mail to claimants who have a Class Only claim or an approved value of greater than zero dollars (\$0.00).

TAKE FURTHER NOTICE that objections to the Final Accounting and Plan for Final Distribution must be filed in writing with the Commonwealth Court of Pennsylvania, Office of the Chief Clerk, 601 Commonwealth Avenue, Suite 2100, Harrisburg, Pennsylvania 17106-9185. In the event of such filing, please refer to Docket No. 1 LEG 2002.

Objections must be filed within 30 days of the date of this Notice, or they shall be forever barred. Objections must be clearly and concisely written and state the basis for the objection.

Copies of this Final Accounting and Plan for Final Distribution are available to interested parties for inspection at the Commonwealth Court of Pennsylvania, Office of the Chief Clerk, 601 Commonwealth Avenue, Suite 2100, Harrisburg, Pennsylvania 17106-9185, or at www.legioninsurance.com.

If you have any questions, please call Legion Insurance Company (In Liquidation), 1717 Arch Street, Suite 3630, Philadelphia, Pennsylvania 19103, (215) 963-1607 or email at liquidator@legioninsurance.com. Objections will not be accepted by email.


Laura L. Slaymaker
Deputy Insurance Commissioner

EXHIBIT C

Jenny Jezo
Interiors by Design
7034 Grand Parkway
Wauwatosa, WI 53213

January 14, 2019

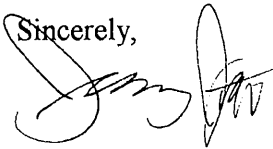
Commonwealth Court of Pennsylvania
Office of the Chief Clerk
601 Commonwealth Avenue, Suite 2100
Harrisburg, PA 17106-9185

Re: Docket No. 1 LEG 2002

Dear Sir/Madam:

Please withdraw my objection to the Final Accounting and Plan for Final Distribution for Legion Insurance Company (In Liquidation).

Sincerely,



Jenny Jezo
Interiors by Design

RECEIVED
COMMONWEALTH COURT
OF PENNSYLVANIA
2019 JAN 18 AM 8:46

Cc: Christopher Watson (by email)

VERIFICATION

I, Robert E. Haberle, am authorized by Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, pursuant to 40 P.S. §221.23, to act on her behalf in her capacity as the Liquidator of Legion Insurance Company and to supervise the daily operations as Chief Liquidation Officer of Legion Insurance Company. I hereby verify that the facts set forth in the foregoing pleading are true and correct to the best of my knowledge, information and belief.

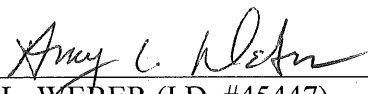
I understand that this Verification is made subject to the penalties of 18 P.S. §4904 relating to unsworn falsification to authorities.

Date: Jan. 22, 2019


ROBERT E. HABERLE

**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.



AMY L. WEBER (I.D. #45447)
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Counsel for Jessica K. Altman, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as Statutory
Liquidator of Legion Insurance Company (In
Liquidation)

DATED: 1/24/19

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:

Legion Insurance Company,
In Liquidation

:
:

No. 1 LEG 2002

ORDER

AND NOW, this ____ day of _____, 2019, it is ORDERED and DECREED
that:

1. Upon consideration of the Liquidator's Application for Approval of Final Accounting and Plan for Final Distribution (Application), the Application is APPROVED and confirmed absolutely.

2. The Liquidator is authorized to make distribution of the assets of Legion in accordance with paragraph 15 of the Liquidator's Final Accounting and Plan for Distribution as follows:

- a. Priority class (a) claims will be paid at 100%.
- b. Priority class (b) claims will be paid at least 94%, including previously paid interim partial distributions.
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- h. There are no priority class (h) claims.
- i. There are no priority class (i) claims.

3. In accordance with 40 P.S. §§ 221.48(a) and 221.50, following the completion of the final distribution of assets, the Liquidator shall file an application seeking discharge of the Liquidator and a Recommendation for Disposition of Records

BY THE COURT:

MARY HANNAH LEAVITT, PRESIDENT JUDGE