

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

**APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON LEGION INSURANCE COMPANY CLAIMS UNDISPUTED AND RESOLVED
FROM JULY 1, 2016 TO DECEMBER 31, 2016**

Applicant, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator (“Liquidator”) of Legion Insurance Company (“Legion”), in compliance with and 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 Legion Insurance Company Claims Undisputed and Resolved from July 1, 2016 to December 31, 2016 (the “Report” as more fully described below). In support of the Application, the Liquidator avers the following:

BACKGROUND

1. The Applicant Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of Legion pursuant to this Court’s Order dated July 25, 2003 (“Liquidation Order”), under the relevant provisions of the Insurance Department Act of 1921, 40 P.S. §§ 221.1 - 221.63 (the “Act”).

2. The Liquidation Order provided that “in addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation, where Legion has its principal place of business, and in the national edition of the *Wall Street Journal*, 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, ¶18. By the end of the third quarter of 2003, the Liquidator provided Proof of Claim (“POC”) forms and instructions to policyholders and creditors of Legion as identified by the books and records of Legion. Additionally, since the fourth quarter of 2004, the POC forms and instructions have been available on the Legion Documents website at www.legioninsurance.com.

3. On July 30, 2012, the Court implemented new rules to govern insurance rehabilitations and liquidations and all other matters under Article V of the Act. See Pa. R.A.P. 3771 - 3784 (the “New Rules”). The New Rules require that the Liquidator present to the Court a report of the Liquidator’s recommendations with respect to each Proof of Claim. The Report shall include the following: the claimant’s name, address, class, and the particulars of the claim, including whether the value of the claim was determined without objection (hereinafter referred to as “Undisputed Claims”) or after settlement or Court resolution of an objection (hereinafter referred to as “Resolved Claims”).¹ Additionally, the Report shall include the amount of the claim finally recommended. See Pa. R.A.P. 3784(a); see also 40 P.S. § 221.45(a).

¹Pursuant to an earlier Claims Order, earlier reports did not include NOD objections resolved through the referee process since they were approved by the Court through individual orders. Effective July 1, 2012, such NOD objections are included in the Report in accordance with the new Commonwealth Court Rule 3784(a).

4. The New Rules further provide that “[n]o claim shall be paid, in part or in whole, until the Report is approved by the Court.” Pa. R.A.P. 3784(a).

**REPORT AND RECOMMENDATIONS ON CLAIMS
UNDISPUTED AND RESOLVED AS OF DECEMBER 31, 2016**

5. The Liquidator’s Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved from July 1, 2016 to December 31, 2016², 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.³

6. The first part of the Report, which addresses claims that were “determined without objection”, reflects NODs issued by the Liquidator for which the objection period expired on or before December 31, 2016. The total number of Undisputed Claims is 3 with an allowed amount of \$15,633.06. The list of Undisputed Claims filed against the assets of the Legion estate is attached hereto as Exhibit A.

7. The second part of the Report, which addresses claims that were “determined after settlement of an objection” or through the Court/Referee process, is a list of the disputed claims to which objections were filed and resolved on or before December 31, 2016. The total number of Resolved Claims is 0, with an allowed amount of \$0.00. The list of Resolved Claims is attached hereto as Exhibit B.

²The Liquidator has filed twenty previous Reports and Recommendations on Legion Insurance Company Claims Undisputed and Resolved with the latest one being approved by Court order dated August 30, 2016.

³ If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as \$0.

8. As set forth in Exhibits A and B, the Liquidator respectfully submits her recommendations for a total of 3 claims with a total allowed amount of \$15,633.06 in accordance with and pursuant to Pa. R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court's approval.

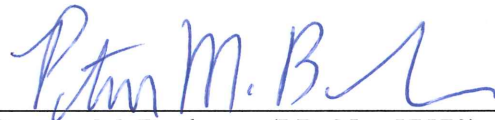
9. In fulfilling her statutory requirements, the Liquidator carefully reviewed all documentation submitted by the claimants in support of the claims and independently determined the merit, classification and value of each claim, as required by the Act. See 40 P.S. §§ 221.37, 221.38, 221.44, 221.45.

10. 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 and the New Rules. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the Legion estate, policyholders, claimants and other creditors.

11. 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. In accordance with Rule 3784(a), upon approval of the claims listed in the Report the claimants or their lawful assignees will become eligible to receive a *pro rata* distribution of assets from the estate of Legion in the event that a distribution is made to the claimant's class of creditors.

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. No. 57570)
Insurance Department Counsel
Governor's Office of General Counsel
Office of Liquidations, Rehabilitations
and Special Funds
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

Counsel for Teresa D. Miller, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as
Statutory Liquidator of Legion Insurance
Company (In Liquidation)

Dated: _____

1/30/17

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**In Re Legion Insurance Company
(In Liquidation)**

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Docket No. 1 LEG 2002

**VERIFICATION OF ROBERT HABERLE IN SUPPORT OF THE
APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON LEGION INSURANCE COMPANY CLAIMS UNDISPUTED AND
RESOLVED AS OF DECEMBER 31, 2016**

I, **ROBERT HABERLE**, hereby depose and state as follows:

1. I am Chief Liquidation Officer of Legion Insurance Company (In Liquidation) (“the Estate”), and am responsible for overseeing its daily business operations.
2. I have reviewed the Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved as of December 31, 2016 (“the Report”).
3. Based on my knowledge, the claims information included in the Report fairly presents in all material respects the status of Legion Insurance Company Claims Undisputed and Resolved as of December 31, 2016.
4. My certification is made in reasonable reliance on the work of qualified staff and the Estate’s internal procedures for claims operations.
5. I verify that the matters stated therein are true and correct to the best of my

knowledge, information and belief, and make these statements subject to the penalties of
18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



ROBERT HABERLE

Sworn to and subscribed before me
this 24th day of JAN., 2017.


NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
ROBERT J. LENAHAN, Notary Public
City of Philadelphia, Phila. County
My Commission Expires December 14, 2019

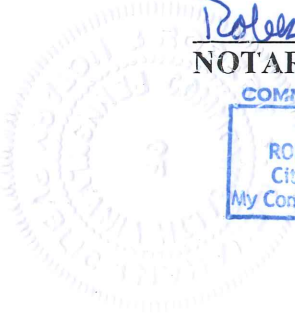


EXHIBIT A

Legion Company (in Liquidation) Undisputed Claims Report for 7/1/2016 to 1/1/2017
As of 1/13/2017 at 11:33 AM

Total Number of Undisputed Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
3	\$537,760.00	\$15,633.06	\$522,126.94

Reference Number: 79527719-2196-4ab8-b1b5-bfcde91ddd48f

Legion Company (in Liquidation) Undisputed Claims Report for 7/1/2016 to 1/1/2017
As of 1/13/2017 at 11:33 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Atlas Van Lines Inc	Stacie Banks Atlas Van Lines Inc 1212 St. George Road Evansville, IN 47711	1389043	1/23/2012	001123000035WC0	B	1389043-1	\$537,760.00	\$15,633.06	The amount allowed represents the agreed final value of the proportionate share of expenses for the Scott Harrington claim (date of loss 10/30/1998) based upon the projected loss in excess of the large deductible as detailed in the revised claim commutation proposal dated 8/8/2016.
Panthers Football LLC	Richard M Thigpen Panthers Football LLC 800 South Mint St Charlotte, NC 28202-1502	1389107	4/14/2015	LEG-0000284	B	1389107-1	\$0.00	\$0.00	No value has been allowed for your claim because pursuant to your e-mail of 5/9/2016, you have requested that we close the claim due to the lack of activity on the workers compensation claim of Mike Scurlock, date of loss 11/14/1999.

Legion Company (in Liquidation) Undisputed Claims Report for 7/1/2016 to 1/1/2017 As of 1/13/2017 at 11:33 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Registry Network Inc	Dana Hasler Registry Network Inc 1207 Carlsbad Village Drive Suite X Carlsbad, CA 92008	1389117	5/27/2015	TSP069SSD0276	B	1389117-1	\$0.00	\$0.00	No value has been allowed for your claim because the California Insurance Guarantee Association has discontinued its efforts to transfer liability to or obtain recovery from your client Dignity Health/Community Hospital of San Bernardino, for the workers compensation claims of Velda McQueen. Therefore, it appears that no basis remains for a contractual or common-law indemnity claim to be presented to you by your client for benefits owed under your workers compensation policy with Legion.

EXHIBIT B

Legion Company (in Liquidation) Resolved Claims Report for 7/1/2016 to 1/1/2017
As of 1/13/2017 at 11:33 AM

Total Number of Resolved Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
0	\$0.00	\$0.00	\$0.00

Reference Number: 79527719-2196-4b1b5-bfcde91dd48f

Legion Company (in Liquidation) Resolved Claims Report for 7/1/2016 to 1/1/2017
As of 1/13/2017 at 11:33 AM

Claimant	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
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IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company (In
Liquidation)

DOCKET NO. 1 LEG 2002

RE: Liquidator's Report and Recommendations on Legion Insurance Company Claims
Undisputed and Resolved from July 1, 2016 to December 31, 2016

ORDER

AND NOW, this ____ day of _____, 2017, upon consideration of the
Liquidator's Application for Approval of Report and Recommendations on Legion Insurance
Company Claims Undisputed and Resolved from July 1, 2016 to December 31, 2016
("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED and the claims listed in the Report and
Recommendations on Legion Insurance Company Claims Undisputed and Resolved as of July 1,
2016 to December 31, 2016 ("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 under the Order of February 27, 2012 and any subsequent Orders.

Mary Hannah Leavitt, President Judge