

GOVERNOR'S OFFICE OF GENERAL COUNSEL

June 22, 2011

RECEIVED & FILED
COMMONWEALTH COURT
OF PENNSYLVANIA
22 JUN 2011 09 01

Michael F. Krimmel, Chief Clerk
Commonwealth Court of Pennsylvania
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17120-9185

Re: *Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania v. PIC Insurance Group, Inc.*
No. 44 M.D. 1998

Dear Mr. Krimmel:

Enclosed for filing please find an original and two copies of a Motion to Approve Final Accounting and Petition for Distribution and Discharge with regard to the above-referenced matter.

Thank you for your assistance in this matter.

Very truly yours,

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosures

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

MICHAEL F. CONSEDINE, :
INSURANCE COMMISSIONER :
OF THE COMMONWEALTH :
OF PENNSYLVANIA, :
 :
Plaintiff, :
 : No. 44 M.D. 1998
v. :
 :
PIC INSURANCE GROUP, INC. :
 :
Defendant. :

ORDER

AND NOW, this ____ day of _____, 2011, upon consideration of the foregoing Motion, it is ordered and decreed that:

1. The Final Accounting and Petition for Distribution and Discharge of Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania as Statutory Liquidator of PIC Insurance Group, Inc. ("PIC") (In Liquidation) is approved and confirmed absolutely.

2. The Liquidator is authorized to make distribution of the assets of PIC in accordance with paragraph 6 of the aforementioned Petition as follows:

- a. Priority class "a" claims will be paid at 100%. The Liquidator has already received \$10,713,998.83 in administrative expenses.
- b. Priority class "b" claims will be paid at 22.06%.
- c. There are no priority class "c" claims.
- 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. The Liquidator is authorized to destroy the records of PIC other than appropriate administrative files within the Liquidator's discretion.

4. Any assets of PIC received after the date of discharge are to be used to satisfy any unreimbursed administrative expenses incurred by the Liquidator.

5. Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania and his predecessors and successors in office, are discharged as Statutory Liquidator of PIC and are hereby released from any liability to make payment of any further claims.

BY THE COURT:

J.

2. The Liquidator provided notice to all known claimants of the Petition, which Notice was mailed on May 13, 2011, after approval by this Court by Order dated May 5, 2011. Copies of the Order and Notice are attached hereto as Exhibits A and B, respectively.

3. In response to his Notice, the Liquidator did not receive any objections to the Petition.

4. The Liquidator represents that no other written objections to said Petition have been filed and that more than 30 days have elapsed since the date of the Notice of the filing of the Petition.

5. The Liquidator has responded to all Petition-related claimant inquiries, and has made all necessary address and information corrections to the claimant mailing list, and stands ready to begin paying claims.

WHEREFORE, the Liquidator prays your Honorable Court that:

1. The Final Accounting and Petition for Distribution and Discharge of Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator of PIC Insurance Group, Inc., be approved and confirmed absolutely;

2. The Liquidator be authorized to make distribution of the assets of PIC in accordance with paragraph 6 of the Petition as follows:

- a. Priority class "a" claims will be paid at 100%. The Liquidator has already received \$10,713,998.83 in administrative expenses.
- b. Priority class "b" claims will be paid at 22.06%.
- c. There are no priority class "c" claims.
- 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.

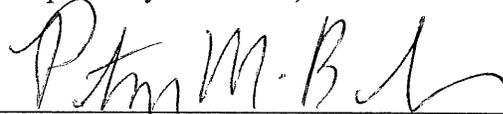
- g. Priority class "g" claims will not be paid.
- h. There are no priority class "h" claims.
- i. There are no priority class "i" claims.

3. The Liquidator be authorized to destroy the records of PIC Insurance Group, Inc., (In Liquidation) other than appropriate administrative files within the Liquidator's discretion;

4. Any assets of PIC Insurance Group, Inc., (In Liquidation) received after the date of discharge be used to satisfy any unreimbursed administrative expenses incurred by the Liquidator;

5. Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and his predecessors and successors in office be discharged as Statutory Liquidator of PIC Insurance Group, Inc., (In Liquidation) and are hereby released from any liability to make payment of any further claims.

Respectfully submitted,



PRESTON M. BUCKMAN (I.D. #57570)
Governor's Office of General Counsel
Pennsylvania Insurance Department
Capitol Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

Counsel for Michael F. Consedine, in his official capacity as Insurance Commissioner of Pennsylvania, as Statutory Liquidator of PIC Insurance Group, Inc., (In Liquidation)

DATED: _____

6/22/11

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Michael F. Consedine, Insurance :
Commissioner of the Commonwealth :
of Pennsylvania, :
Plaintiff :
: No. 44 M.D. 1998
v. :
PIC Insurance Group, Inc., :
Defendant :

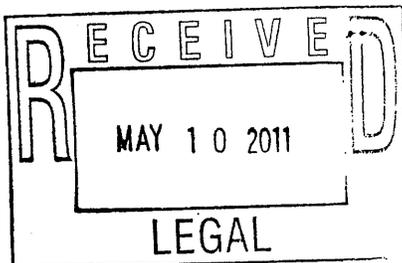
Re: *Petition to Approve the Form of Notice of Distribution and Discharge*

ORDER

AND NOW, this 5th day of May, 2011, upon consideration of the Liquidator's Final Accounting and Plan for Distribution and Discharge and Petition to Approve the Form of Notice of Distribution and Discharge, to which there are no objections, the Petition is hereby GRANTED and the Liquidator's proposed Form of Notice (as attached to the Petition as Exhibit C) to be sent by first-class mail to claimants is hereby APPROVED.



BONNIE BRIGANCE LEADBETTER,
President Judge



Certified from the Record

MAY 05 2011

And Order Exit

EXHIBIT B



May 13, 2011

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

MICHAEL F. CONSEDINE,
INSURANCE COMMISSIONER OF
THE COMMONWEALTH OF
PENNSYLVANIA,

Plaintiff,

v.

PIC INSURANCE GROUP, INC.

Defendant.

Docket No. 44 M.D. 1998

**NOTICE TO ALL CLAIMANTS OF
PIC INSURANCE GROUP, INC.**

PLEASE TAKE NOTICE that Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and as such, Statutory Liquidator of PIC Insurance Group, Inc. ("PIC") (In Liquidation), has filed his Final Accounting and Petition for Distribution and Discharge for the period from January 21, 1998, to November 30, 2010 ("Petition"). The Petition sets forth the steps taken in this liquidation during this period of time.

PLEASE TAKE FURTHER NOTICE that the total for class "a", "b", "e", "f", and "g" claims that has been approved and allowed is \$227,202,590.10. There are no class "c", "d", "h" or "i" claims. The total net assets available for distribution, after payment of administrative expenses incurred by the Liquidator, are \$54,609,567.12.

The Petition requests that:

1. The Final Accounting and Petition for Distribution and Discharge of Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator of PIC, be approved and confirmed absolutely.

2. The Liquidator be authorized to make a distribution of the assets of PIC in accordance with paragraph 6 of the Petition as follows:

A. Priority class "a" claims will be paid at 100%. The Liquidator has already received \$10,713,998.83 in administrative expenses.

B. Priority class "b" claims will be paid at 22.06%.

C. There are no priority class "c" claims.

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. The Liquidator's form of Notice to be sent by first class mail to claimants be approved.

4. The collection of the remaining reinsurance recoverables, in the approximate amount of \$200,000, be assigned to the Deputy Insurance Commissioner for the Office of Liquidations, Rehabilitations and Special Funds ("Deputy Commissioner") of the Pennsylvania Insurance Department following the final distribution and discharge proposed in the Petition, and that the Deputy Commissioner be authorized to transfer the reinsurance recovered to the Pennsylvania Property and Casualty Insurance Guaranty Association ("PPCIGA") to reimburse PPCIGA for its outstanding payments to PIC policyholders.

5. The Liquidator be authorized to destroy records of PIC, other than appropriate administrative files, within the Liquidator's discretion.

6. Any assets of PIC received after the date of discharge be used to satisfy any unreimbursed administrative expenses incurred by the Liquidator.

7. Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and his predecessors and successors in office, be discharged as Statutory Liquidator of PIC, and thereby released from any liability to make payment of any further claims.

TAKE FURTHER NOTICE that objections to the Final Accounting and Petition for Distribution and Discharge 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, or with the Pennsylvania Insurance Department, Bureau of Liquidations Claims, 901 North 7th Street, Harrisburg, Pennsylvania 17102. In the event of such a filing, please refer to Docket No. 44 MD 1998.

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.

Copies of this Final Accounting and Petition for Distribution and Discharge 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; the PA Insurance Department, 901 North 7th Street, Harrisburg, Pennsylvania 17102; and the Philadelphia Regional Office of the Insurance Department, 801 Market Street, Room 6062, Philadelphia, PA 19107.

If you have any questions, please call the Bureau of Liquidations Claims, 901 North 7th Street, Harrisburg, Pennsylvania 17102, (717) 787-7823.



JOSEPH DIMEMMO,
Deputy Insurance Commissioner

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon the person(s) and in the manner indicated below.

Service by first-class mail and email, addressed as follows:

Donna J. Pankowski, District Counsel
Internal Revenue Service
Mid-Atlantic Region
1000 Liberty Avenue, Room 112
Pittsburgh, PA 15222-4003

Pennsylvania Department of Revenue
ATTN: Marianne I. Rempe, Esquire
Office of Chief Counsel
Department 281061
Harrisburg, PA 17128-1061

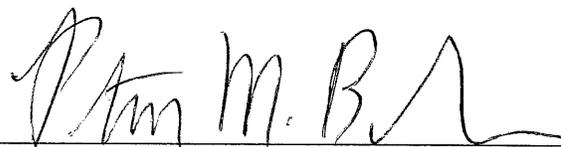
Internal Revenue Service
Special Procedures Department
P.O. Box 12051
Philadelphia, PA 19105

Richard Sponseller, Assistant U.S. Attorney
Federal Building
Harrisburg, PA 17102

Sharon Williams, Esquire (via email)
Commercial Litigation Branch
Department of Justice, Civil Division
P.O. Box 875
Ben Franklin Station
Washington, DC 20044

Stephen F. Perrone, Executive Director
Pennsylvania Property & Casualty
Insurance Guaranty Association
One Penn Center, Suite 1850
1617 John F. Kennedy Boulevard
Philadelphia, PA 19103

Internal Revenue Service
Taxpayer Services
600 Arch Street
Philadelphia, PA 19105



PRESTON M. BUCKMAN (I.D. #57570)
Governor's Office of General Counsel
Pennsylvania Insurance Department
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

DATED: _____

6/22/11

Counsel for Michael F. Consedine, Acting
Insurance Commissioner, in his capacity as
Statutory Liquidator of PIC Insurance
Group, Inc. (In Liquidation)