

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Rockwood Insurance Company, :  
in Liquidation :  
: No. 1 ROC 1990  
:

*IN RE: Application to Approve the Final Determined Amounts of Claims of Guaranty Associations Affected by the Insolvency of Rockwood Insurance Company*

**MEMORANDUM and ORDER**

Before the Court is the Liquidator's Application to Approve the Final Determined Amounts of Claims of Guaranty Associations Affected by the Insolvency of Rockwood Insurance Company (Rockwood or the estate) (Application).<sup>1</sup> No responses have been filed to the Application.

According to the Liquidator's averments, the only remaining open claims pending with the estate are workers' compensation claims that are being handled by 17 guaranty associations. The Liquidator further represents that she has reached an agreement with each respective guaranty association regarding the final determined amount of Rockwood's Class A (administrative expenses) and Class B (claim and loss adjustment expenses) obligations to that guaranty association. The final determined agreed upon amounts by guaranty association are listed in Exhibit

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<sup>1</sup> Rockwood Insurance Company was placed into liquidation by order of this Court dated August 21, 1991. Approximately 19 years later, September 24, 2010, was established as the claims bar date for the estate.

A to the Application. In addition, the Liquidator sent Notices of Determination to each guaranty association handling open claims affirming the agreed upon amount of the Class A and B claims and requesting confirmation by the guaranty association. Exhibit B to the Application contains the confirmation of each individual guaranty association (a countersigned copy of the Notice of Determination) to the agreed amounts of the Liquidator's Class A and B obligations.

The Liquidator specifically requests that the Court approve the final determined Class A and Class B amounts agreed to by the guaranty associations and set forth on Exhibit A. In support of her request for approval, she notes that this is an important step in finalizing the affairs of the estate, that she has broad authority under Sections 501 through 563 (Article V) of The Insurance Department Act of 1921 (Act), Act of May 17, 1921, P.L. 789, 40 P.S. §§ 221.1 – 221.63,<sup>2</sup> to administer the estate in a manner which protects the interests of the insureds, public and creditors, and that she believes that her Application serves these goals and purposes. *See generally* Sections 501 and 523(23) of the Act, 40 P.S. §§ 221.1, 221.23(23).

Considering the above representations, the lack of any response to the Application and the Liquidator's authority under the Act (see above), including her authority to "comport, compromise or in any manner negotiate the amount for which claims will be recommended to the court," Section 545(a) of the Act, 40 P.S. § 221.45(a), the Court will approve the Application as follows:

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<sup>2</sup> Article V was added by the Act of December 14, 1977, P.L. 280.

AND NOW, this 23rd day of March, 2017, upon consideration of the Liquidator's Application to Approve the Final Determined Amounts of Claims of Guaranty Associations Affected by the Insolvency of Rockwood Insurance Company (Application), the Application is **GRANTED**. The final determined amounts of the claims set forth in Exhibit A to the Application are Rockwood's full and final obligation to each guaranty association listed on Exhibit A and are hereby approved.



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**BONNIE BRIGANCE LEADBETTER,**  
Senior Judge

**Certified from the Record**

**MAR 23 2017**

**And Order Exit**