

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company, : No. 1 VIL 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 Villanova Insurance Company ("Villanova"), 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 Villanova's assets to its claimants, and thus represents:

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

5. In response to the Notice, on January 4, 2019, one objection was filed with the Court. On January 14, 2019, that objection was withdrawn by the objector. The letter withdrawing the objection is attached as Exhibit C.

6. The Liquidator received over 20 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 \$1,885,987 (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 \$0.6 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 Villanova Insurance Company (In Liquidation) (“Villanova”), be approved and confirmed absolutely.

2. The Liquidator be authorized to make distribution of the assets of Villanova 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 64%, 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,



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

DATED: 1/24/19

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company :
(In Liquidation) : 1 VIL 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 VIL 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: Villanova Insurance Company,
In Liquidation

No. 1 VIL 2002

**NOTICE TO ALL
CLAIMANTS OF VILLANOVA
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 Villanova 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 \$431,392,338. 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 \$286,865,408.

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 Villanova Insurance Company (In Liquidation) ("Villanova"), be approved and confirmed absolutely.
2. The Liquidator be authorized to make a distribution of the funds of Villanova as follows:
 - a. Priority class (a) claims will be paid at 100%.
 - b. Priority class (b) claims will be paid at least 64%, 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 VIL 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 Villanova 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

January 10, 2019


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

RECEIVED COURT
COMMONWEALTH
OF PENNSYLVANIA
2019 JAN 14 AM 10:16

Re: Docket No. 1 VIL 2002
IN RE: Villanova Insurance Company, In Liquidation

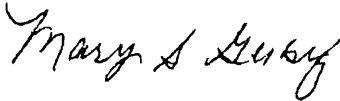
Dear Sir/Madam:

On January 4, 2019, we submitted an objection to the Final Accounting and Plan for Final Distribution of Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and as such, Statutory Liquidator of Villanova Insurance Company (In Liquidation) ("Liquidator"), in the above matter. Our records indicate that the Court received the objection on Monday, January 7, 2019. A copy is of our letter of objection dated January 4, 2019 is enclosed for your reference.

 Please be advised that we are withdrawing our objection to the Final Accounting and Plan for Final Distribution in the above matter.

Very truly yours,

Davis & Kuelthau, s.c.



Mary S. Gerbig

MSG:dkc

Enclosure

cc: Mr. Andrew Walsh (w/enclosure)

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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 Villanova Insurance Company and to supervise the daily operations as Chief Liquidation Officer of Villanova 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.



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

DATED: 1/24/19

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