

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company, : No. 1 VIL 2002
(In Liquidation) :

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

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, hereby submits her Final Accounting and Plan for Final Distribution, and files this Application seeking approval of her Notice of the Final Accounting and Plan for Final Distribution, 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. The Villanova Special Purpose Statement of Assets (unaudited) as of June 30, 2018, discloses total assets of \$288,273,102. (See Villanova’s Special Purpose Statement of Assets attached hereto as Exhibit A.)

3. The Liquidator has collected all of the assets deemed worthy of pursuit.

4. The total assets available include \$249,241,572 in early access advances previously made to state guaranty associations (“SGAs”) and \$146,137 in an unapplied state funds. The early access advances made to each SGA and the unapplied state funds will be credited against the final distribution amount calculated to be due to that SGA.

5. In addition, pursuant to an Order of the Court dated February 27, 2012, interim distributions totaling \$478,293 have been distributed to non-SGA class (b) claimants. The interim distributions made to each class (b) claimant will be credited against the final distribution amount calculated to be due to that claimant.

6. The total funds available for distribution as of June 30, 2018, including the interim distributions, and after a reserve of \$1,885,987 for future administrative expenses to be paid by the Liquidator, are \$286,865,408. (See Exhibit A.) The reserve will consist of \$600,000, net of investment income, for administrative expenses from July 1, 2018, through the final distribution, plus \$600,000 for anticipated administrative expenses from final distribution to discharge and closing of the estate, and \$685,987 for any unbudgeted legal and other related expenses defending any objections that may be filed to the Plan. Any unbudgeted legal and other related expenses not spent will be added to the funds to be distributed at final distribution. Any other funds unexpended within twelve (12) months from the date of discharge will be deposited with the State Treasurer pursuant to 40 P.S. § 221.47(a).

7. From the entry of the Order of the Court placing the estate into liquidation effective July 28, 2003 through June 30, 2018, the Liquidator has incurred and paid \$51,879,829 in class (a) administrative expenses. These expenses have been submitted to and approved by the Court.

8. All claims have been evaluated and approved by the Court and there are no unresolved objections to the amount allowed for any claim.

9. The total for class (a), (b), (c), (e), (f) and (g) priority claims that have been approved and allowed is \$431,392,338. There are no class (d), (h), or (i) claims.

10. Of the total allowed amounts, \$7,002,216 was for classes below class (b) priority. Throughout the liquidation it has been anticipated that Villanova would not make distributions to claimants whose claims were classified (c) or lower. Until the Court amended its rules effective July 30, 2012, to require a dollar value for all approved claims, Villanova issued 90 "Class Only" NODs for class (e), (f) and (g) claims. Under the Plan being submitted to the Court, no class below class (b) priority will receive any distribution on their claims.

11. Including the interim distributions, the total distributions to all class (a) creditors paid through the NOD process will total \$42,377,026 and to all class (b) creditors at least \$244,488,382.

12. Attached hereto as Exhibit B is a list of all Villanova claimants below class (b) who had claims approved on a "Class Only" basis and claimants in all classes who had claims approved for a value in excess of zero dollars (\$0.00) and the amount for each claim. The Liquidator proposes that all claimants listed on Exhibit B receive the Notice of the filing of the Application.

13. Attached hereto as Exhibit C is a list of all Villanova claimants who had claims approved for zero value (\$0.00).

14. The majority of claimants in Exhibit C who had claims approved for zero value consist of workers' compensation claimants whose claims have been administered and paid by

state guaranty associations and policyholders whose unearned premium claims were paid by state guaranty associations. All the claims determinations are final.

15. The Liquidator submits the following plan for the final 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.

16. Attached hereto as Exhibit D is a copy of the Notice of the filing of this Application for Approval of Notice of Final Accounting and Plan for Final Distribution, to be sent to the claimants in Exhibit B upon this Court's approval of the form of Notice.

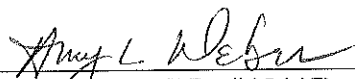
17. All claimants listed on Exhibit B will be served with the Notice and provided 30 days from the date of the mailing of the Notice to file objections, if any, to the Final Accounting and Plan for Final Distribution.

18. Once all objections to the Final Accounting and Plan for Final Distribution, if any, have been resolved, the Liquidator will file an application seeking this Court's approval of her Final Accounting and Plan for Final Distribution. A copy of the proposed order to be filed with the application is attached hereto as Exhibit E.

19. Should the Court approve that application, following the completion of the final distribution of funds the Liquidator will file a final application seeking a discharge of the Liquidator in accordance with 40 P.S. § 221.48(a) and seeking approval of her recommendation regarding the disposition of records pursuant to 40 P.S. § 221.50. A copy of the proposed order to be filed with the final application is attached hereto as Exhibit F.

WHEREFORE, the Liquidator prays Your Honorable Court that the form of Notice, attached hereto as Exhibit D, to be sent by first-class mail to claimants listed on Exhibit B, be approved.

Respectfully submitted,



AMY L. WEBER (I.D. #45447)
Insurance Department Counsel
Office of Liquidations, Rehabilitations and
Special Funds
Capitol Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

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: 10 / 31 / 18

EXHIBIT A

SPECIAL PURPOSE STATEMENT OF ASSETS

Villanova Insurance Company (In Liquidation)

SPECIAL PURPOSE STATEMENT OF ASSETS – Unaudited

as of June 30, 2018

	6/30/2018
Assets	
Money Market Deposits and Cash	\$ 38,885,393
Early Access Advances	\$ 249,241,572
Unapplied Statutory Deposits	<u>\$ 146,137</u>
Total Assets	\$ 288,273,102
Plus Interim Partial Distributions	\$ 478,293
Less Reserve for Future Administrative Expenses	<u>(\$ 1,885,987)</u>
Total Funds Available for Distribution	\$ 286,865,408

EXHIBIT B

**LIST OF CLAIMANTS WITH CLASS-ONLY CLAIMS
AND CLAIMS WITH VALUES GREATER THAN \$0.00**

**EXHIBIT B, CONTAINING 1 VOLUME,
IS BOUND SEPARATELY FROM THIS DOCUMENT
AND MARKED AS SUCH**

EXHIBIT C

**LIST OF CLAIMANTS
WITH VALUES OF \$0.00**

**EXHIBIT C, CONTAINING 2 VOLUMES,
IS BOUND SEPARATELY FROM THIS DOCUMENT
AND MARKED AS SUCH**

EXHIBIT D

FORM OF NOTICE

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 E

**COPY OF PROPOSED ORDER UPON FILING
OF APPLICATION FOR APPROVAL OF FINAL ACCOUNTING
AND PLAN FOR FINAL DISTRIBUTION**

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:

Villanova Insurance Company, :
In Liquidation : No. 1 VIL 2002

ORDER

AND NOW, this _____ day of _____, 2018, upon consideration of the foregoing Application for Approval of Final Accounting and Plan for Final Distribution, it is ordered and decreed that:

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

2. The Liquidator is authorized to make 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

BY THE COURT:

MARY HANNAH LEAVITT, PRESIDENT JUDGE

EXHIBIT F

**PROPOSED ORDER
UPON FILING OF APPLICATION FOR DISCHARGE
AND APPROVAL OF RECOMMENDATION
FOR DISPOSITION OF RECORDS**

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:

Villanova Insurance Company,
In Liquidation

:
:

No. 1 VIL 2002

ORDER

AND NOW, this ____ day of _____, 2018, upon consideration of the foregoing Application for Discharge and Approval of Recommendation for Disposition of Records Pursuant to 40 P.S. § 221.50, it is ordered and decreed that:

1. The Application for Discharge and Recommendation for Disposition of Records Pursuant to 40 P.S. § 221.50 (“Application”) of Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator (“Liquidator”) of Villanova Insurance Company (In Liquidation) (“Villanova”) is approved and confirmed absolutely.

2. The Liquidator is authorized to destroy the records of Villanova in accordance with the recommendation attached to the Application as Exhibit ____.

3. Any assets of Villanova received after the date of discharge are to be used to satisfy any unreimbursed administrative expenses incurred by the Liquidator. Any funds unexpended within twelve (12) months of the date of discharge shall be deposited with the State Treasurer pursuant to 40 P.S. § 221.47(a).

4. Jessica K. Altman, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and her predecessors in office, as Statutory Liquidator of

Villanova Insurance Company (In Liquidation), are hereby discharged from further duties with respect to this Estate and released from any liability to make payment of any further claims.

BY THE COURT:

MARY HANNAH LEAVITT, PRESIDENT JUDGE

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company :
(In Liquidation) : No. 1 VIL 2002

**AFFIDAVIT OF ROBERT E. HABERLE IN SUPPORT OF LIQUIDATOR'S
FINAL ACCOUNTING, PLAN FOR FINAL DISTRIBUTION,
AND APPLICATION FOR APPROVAL OF NOTICE**

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

1. I am Chief Liquidation Officer of Legion Insurance Company (In Liquidation) and Villanova Insurance Company (In Liquidation) (“the Estates”), and am responsible for overseeing their daily business operations.
2. I directed the preparation of and have reviewed the Liquidator’s Final Accounting, Plan for Final Distribution and Application for Approval of Notice.
3. Based on my knowledge, the financial information included in the Final Accounting fairly presents in all material respects the assets of the Estate and the claims against the Estate as of June 30, 2018.
4. My certification is made in reasonable reliance on the work of qualified staff and the Estates’ internal procedures for financial and 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 E. HABERLE

Sworn to and subscribed before me
this 26th day of October, 2018.

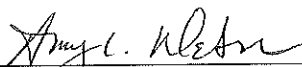


NOTARY PUBLIC

Commonwealth of Pennsylvania - Notary Seal
ANDREW S WALSH - Notary Public
Chester County
My Commission Expires Sep 25, 2022
Commission Number 1338539

**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)
Insurance Department Counsel
Office of Liquidations, Rehabilitations and
Special Funds
Capitol Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

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: 10/31/18

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:

Villanova Insurance Company, : No. 1 VIL 2002
In Liquidation :

ORDER

AND NOW, this ____ day of _____, 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. Objections must be clearly and concisely written.

BY THE COURT:

MARY HANNAH LEAVITT, PRESIDENT JUDGE