

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Joel S. Ario, Insurance Commissioner :
of the Commonwealth of Pennsylvania, :
Plaintiff :
v. : No. 183 M.D. 2002
Legion Insurance Company, :
Defendant :

RE: PROCEDURES FOR DISPOSITION OF PROOFS OF CLAIM

ORDER

AND NOW, this 24th day of November, 2008, upon consideration of the Petition to Supplement the January 11, 2006, Claims Procedures Order that has been filed by the Statutory Liquidator of Legion Insurance Company (In Liquidation), to which no objection or response has been filed, it is hereby ORDERED as follows:

- (1) The petition is GRANTED.
- (2) Where the Statutory Liquidator has requested information needed to adjudicate a proof of claim (POC), and the Statutory Liquidator has not received a response to the request, those non-responsive Claimants shall be served a copy of a Notice of this Court's Order in the form of Notice attached hereto as Exhibit A (Notice).
- (3) Claimants receiving a copy of the Notice shall be subject to the following procedures:
 - (a) Where the underlying claim has been resolved by the date of this Order, the Claimant shall provide the Liquidator

with the information set forth in paragraph (6) of this Order within 90 days of the Claimant being served a copy of the Notice.

(b) Where the underlying claim has not been resolved as of the date of this Order or where no claim has yet been filed against the Claimant, the following procedures shall apply:

(i) The Claimant shall provide the Liquidator a report on the status of the underlying claim with the information set forth in paragraph (7) of this Order or inform the Liquidator that no claims have yet been asserted, within 90 days of the Liquidator's mailing of the Notice.

(ii) On March 1 of each year the Claimant shall provide the Liquidator with updated information on the unresolved claims, unless otherwise directed by the Liquidator.

(iii) Whenever a claim is resolved, the Claimant must provide the documentation, set forth in paragraph (6) of this Order, within 90 days of final resolution.

(4) If during the Liquidator's evaluation of the POC, additional information is required, the Liquidator will request this information in writing, and the Claimant must provide the requested information within 90 days or identify the date by which the requested information will be provided.

(5) If the Claimant's POC includes more than one claim, the above requirements apply to each individual claim represented by the POC.

- (6) Information on resolved claims shall include the following:
- (a) the settlement agreement or judgment;
 - (b) proof of payments made; and
 - (c) other documentation that the Liquidator believes reasonably necessary to evaluate the POC and issue a Notice of Determination (NOD).

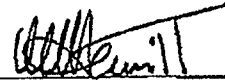
(7) Information on unresolved claims, including claims that are incurred but not reported, shall include:

- (a) the policy number and effective date;
- (b) Legion claim number;
- (c) name of third party claimant;
- (d) type of loss or a accident description; and
- (e) payments made for bodily injury, medical expenses and property damage;
- (f) outstanding invoices; and
- (g) outstanding loss reserves.

(8) Where a Claimant fails to provide the information requested, the Liquidator may:

- (a) issue a Final Demand for information in the name of this Court to require the production of information and evidence, as set forth in 40 P.S. §221.38(b), the Liquidator deems necessary to the evaluation and determination of a claim; and
- (b) where that Claimant fails to respond to the Final Demand, the Liquidator may subordinate the Claimant's claim to

priority class (g)(2) or assign a value of \$0.00 to Claimant's claim for failing to comply with the POC requirements set forth in 40 P.S. §§221.37, 221.38(a).



MARY HANNAH LEAVITT, Judge

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