

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**In Re: Senior American Insurance Company  
In Liquidation** : **No. 1 SAI 2018**  
:

**LIQUIDATOR'S APPLICATION FOR APPROVAL OF NOTICE OF FINAL ACCOUNTING, PROPOSAL FOR FINAL DISTRIBUTION AND FINAL CLAIMS REPORT**

Michael Humphreys, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator ("Liquidator") of Senior American Insurance Company ("SAIC"), by his undersigned attorney, respectfully files this Application seeking approval of the Notice of: 1) his final accounting and proposal for final distribution pursuant to 40 P.S. § 221.46, 40 P.S. § 221.48, and; 2) his final report and recommendations on claims as of January 31, 2023, pursuant to 40 P.S. §221.45 and Pa. R.A.P. 3784(a) ("Final Claims Report"),<sup>1</sup> to complete the liquidation of SAIC, and thus represents:

1. By Memorandum and Order of this Court dated August 15, 2019, which had an effective date of September 3, 2019, SAIC was placed in liquidation.

**FINAL ACCOUNTING AND PROPOSAL FOR FINAL DISTRIBUTION**

2. SAIC's Statement of Assets as of December 31, 2022 (unaudited), discloses assets of \$6,864,373.44. (See SAIC's Accounting attached hereto as Exhibit A).

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<sup>1</sup> The Liquidator typically files for approval of a final report and recommendations on claims separately, and prior to, seeking approval of the Notice of a final accounting and proposal for final distribution. However, in the interests of judicial economy and administrative efficiency, the Liquidator is combining in one application his request for approval of the final claims report with his application for approval of the Notice of his final accounting and proposal for final distribution given the small size of the SAIC estate and the limited number of claims requiring approval.

3. The total net assets available for distribution as of December 31, 2022, after a reserve for future administrative expenses net of estimated interest income until distribution of \$21,000, are \$6,843,373.44. (See Exhibit "A").

4. All claims have been evaluated and there are no unresolved objections to the amount allowed for any claim.

5. The total for class "a", "b" "e" and "f" priority claims that has been approved and allowed is \$28,529,043.40. There are no "c", "d", "g", "h" or "i" claims.

6. Attached hereto as Exhibit "B" is a list of all SAIC claimants who have had claims approved thus far during the SAIC liquidation proceeding. Exhibit "B" also includes the four claims for which the Liquidator is seeking approval in this Application, as explained more fully below. The Liquidator requests this Court's approval of the following distribution of the assets of SAIC as follows:

- a. Priority class "a" claims will be paid at 100%. The Liquidator has already received \$429,947.82 in administrative expenses.
- b. Priority class "b" claims will be paid at least 19.07%.
- 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. There are no priority class "g" claims.
- h. There are no priority class "h" claims.
- i. There are no priority class "i" claims.

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

8. Attached hereto as Exhibit “C” is a copy of the Notice of the filing of this Application for Approval of Notice of Final Accounting, Proposal of Final Distribution and Final Claims Report to be sent to all claimants in this matter upon this Court’s approval of the form of Notice.

9. All claimants listed on Exhibit “B” will be served with the Notice and provided 30 days from the date of the Notice to file objections, if any, to the Final Accounting, Proposal for Final Distribution and Final Claims Report.

10. Once all objections to the Final Accounting, Proposal for Final Distribution and Final Claims Report, if any, have been resolved, the Liquidator will file an application seeking this Court’s approval of his Final Accounting, Proposal for Final Distribution and Final Claims Report, which will contain, and seek approval of, his recommendation regarding the disposition of records pursuant to 40 P.S. §221.50. Should the Court approve that application, the Liquidator will file a final application following the completion of the final distribution of assets seeking discharge of the Liquidator in accordance with 40 P.S. §221.48(a).

### **FINAL CLAIMS REPORT**

11. As mentioned above, the Liquidator also requests the Court’s approval of the Final Claims Report pursuant to Pa. R.A.P. 3784(a) and 40 P.S. §221.45. The Final Claims Report consists of only four claims and is attached hereto as Exhibit D.<sup>2</sup>

12. Exhibit D contains two parts. The first part addresses claims that were determined and finalized without objection, and for which the objection period expired on or before January 31, 2023. These claims are referred to as “Undisputed Claims”. In this Final Claims Report, the

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<sup>2</sup> If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as \$0.

Liquidator respectfully submits his recommendations for a total of four Undisputed Claims, with a total allowed amount of \$28,525,693.38 for this Court's approval.

13. The second part of the Report, which addresses claims that were determined and finalized because no exceptions were taken to a referee's recommended decision, a recommended decision was sustained by the Court or the parties agreed to a settlement, and are referred to as "Resolved Claims", is a list of the disputed claims to which objections were filed and resolved on or before January 31, 2023. There were 0 (zero) Resolved Claims during this final reporting period.

14. In fulfilling his statutory requirements, the Liquidator carefully reviewed all documentation submitted by the claimants in support of the claims and independently determined the merit, classification and value of each claim, as required by 40 P.S. §§ 221.37, 221.38, 221.44, 221.45.

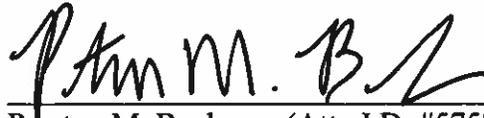
15. Given the discretion afforded the Liquidator pursuant to 40 P.S. § 221.45(a) to "comport, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court," the Liquidator believes that the classification and amounts he has determined for the reported claims are appropriate, fair and equitable and consistent with the relevant provisions of Article V of the Insurance Department Act of 1921.<sup>3</sup> The Liquidator further believes that the approval of the claims listed in the attached Final Claims Report is in the best interests of the SAIC estate, claimants and other creditors.

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<sup>3</sup> See The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, *as amended*, 40 P.S. §§ 221.1 – 221.63. Article V was added by the Act of December 14, 1977, P.L. 280, *as amended*, 40 P.S. §§ 221.1—221.63.

WHEREFORE, the Liquidator prays Your Honorable Court that his Notice of this Application, attached hereto as Exhibit C, be approved.

Respectfully submitted,



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Preston M. Buckman (Atty I.D. #57570)

[pbuckman@pa.gov](mailto:pbuckman@pa.gov)

Department Counsel

Governor's Office of General Counsel

Pennsylvania Insurance Department

901 North 7<sup>th</sup> Street, 3<sup>rd</sup> Floor

Harrisburg, PA 17109

(717) 787-6009

*Counsel for Michael Humphreys, Acting Insurance  
Commissioner of the Commonwealth of  
Pennsylvania, in his official capacity as Statutory  
Liquidator of Senior American Insurance Company*

Dated: February 28, 2023

**EXHIBIT A**

**SENIOR AMERICAN INSURANCE COMPANY  
BEGINNING STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 3, 2019**

**ASSETS**

Cash and Investments	\$	4,639,152.44
Receivables		593.50
Other Assets		924,869.09
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>5,564,615.03</b>

**LIABILITIES**

<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>-</b>
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<b>TOTAL NET ASSETS</b>	<b>\$</b>	<b>5,564,615.03</b>
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**SENIOR AMERICAN INSURANCE COMPANY**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR DISTRIBUTION**  
**FOR THE PERIOD SEPTEMBER 3, 2019 TO DECEMBER 31, 2022**

**INCOME**

Investment	\$	262,586.61	
Miscellaneous Income		28,083.53	
<b>TOTAL INCOME</b>		<u>290,670.14</u>	<b>\$ 290,670.14</b>

**EXPENSES**

Salaries & Benefits	\$	319,911.38	
Operational Expenses			
Professional Services		32,663.05	
Travel		631.14	
Real Estate		3,726.80	
Postage		567.40	
Phone		55.69	
Miscellaneous		8,232.84	
Allocated		64,159.52	
<b>TOTAL EXPENSES</b>		<u>429,947.82</u>	<b>429,947.82</b>

**NET INCOME OVER/(UNDER) EXPENSES** **\$ (139,277.68)**

**ADJUSTMENTS - INCREASE/(DECREASE)**

Investments	\$	1,439,036.09	
<b>TOTAL ADJUSTMENTS</b>			<b>\$ 1,439,036.09</b>

**CHANGE IN NET ASSETS** **\$ 1,299,758.41**

**BEGINNING NET ASSETS** **\$ 5,564,615.03**

**NET ASSETS AVAILABLE FOR DISTRIBUTION** **\$ 6,864,373.44**

**SENIOR AMERICAN INSURANCE COMPANY**  
**STATEMENT OF NET ASSETS AVAILABLE FOR DISTRIBUTION**  
**AS OF DECEMBER 31, 2022**

**ASSETS**

Cash and Investments	\$	892,446.82
Early Access		5,971,926.62
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>6,864,373.44</u></b>

**LIABILITIES**

<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u>-</u></b>
<b>NET ASSETS AVAILABLE FOR DISTRIBUTION</b>	<b>\$</b>	<b><u><u>6,864,373.44</u></u></b>

## **EXHIBIT B**

# Final Court Report

## SENIOR AMERICAN INSURANCE COMPANY

Class Code	POC Count	Total Claimed	Total Allowed ***
A	2	1,419,298.86	1,734,445.17
B	1	26,789,526.80	26,789,526.80
E	7	27,319.81	3,350.07
F	2	1,721.41	1,721.41
<b>TOTAL</b>	<b>12</b>	<b>28,237,866.90</b>	<b>28,529,043.40</b>

\*\*\* When NOLHGA's priority class "A" claim was filed on behalf of the guaranty associations that have administered SAIC claims, it was recorded in the Liquidator's claim system after being reduced to account for special deposits. This is the "Total Claimed" number of \$1,419,298.86. However, when the Liquidator issued NOLHGA's Notice of Determination ("NOD") for their class "A" claim, the NOD was issued at the gross value of the guaranty associations' administrative expenses for accounting purposes, and thus did not include the reduction for special deposits. Therefore, the "Total Allowed" number for class "A", \$1,734,445.17, is more than the "Total Claimed" number of \$1,419,298.86.

## Final Court Report SENIOR AMERICAN INSURANCE COMPANY

Class Code	Full Address	POC Number	Date Received	Claim Numbers	Claimed Amount **	Allowed Amount
A	ARIZONA LIFE AND DISABILITY GUARANTY FUND 15 N. 15 AVE SUITE 102 PHOENIX, AZ 85007	4	10/7/2019		\$0.00	\$0.00
A	NOLHGA 13873 PARK CENTER RD. SUITE 505 HERNDON, VA 20171	11	8/24/2022		\$1,419,298.86	\$1,734,445.17
B	NOLHGA 13873 PARK CENTER RD. SUITE 505 HERNDON, VA 20171	12	8/24/2022		\$26,789,526.80	\$26,789,526.80
E	CAREFREE INSURANCE MANAGEMENT 11446 BOCA WOODS LANE BOCA RATON, FL 33428	7	11/25/2019		\$1,077.86	\$1,077.86
E	CIRAULO, NICK JR 2103 EDGEWOOD DR MONROE, LA 71201	5	11/25/2019		\$65.41	\$65.41
E	LIS INSURANCE INC 7323 E VALLEY VIEW ROAD SCOTTSDALE, AZ 85250	3	9/19/2019		\$9,400.00	\$0.00
E	OAK STREET SERVICING SENIORS FIRST OF TEXAS 8888 KEYSTONE CROSSING SUITE 1700 INDIANAPOLIS, IN 46240	9	11/25/2019		\$6,757.04	\$372.00
E	OAK STREET SERVICING SENIORS FIRST, LLC 8888 KEYSTONE CROSSING SUITE 1700 INDIANAPOLIS, IN 46240	8	11/25/2019		\$3,358.63	\$197.97
E	SALIC NATIONAL MKTG INC 11446 BOCA WOODS LANE BOCA RATON, FL 33428	6	11/25/2019		\$1,560.87	\$1,560.87
E	SCHNEIDER, LAWRENCE 7323 EAST VALLEY VIEW ROAD SCOTTSDALE, AZ 85250	2	9/19/2019		\$5,100.00	\$75.96
F	FLORIDA DEPARTMENT OF REVENUE P O BOX 8045 TALLAHASSEE, FL 32314	10	6/9/2021		\$1,721.41	\$1,721.41
F	SCC BUREAU OF INSURANCE 1300 EAST MAIN ST RICHMOND, VA 23219	1	9/19/2019		\$0.00	\$0.00

\*\* If the claimant failed to indicate a specific claim amount on their Proof of Claim, the claimed amount is noted as \$0.

## **EXHIBIT C**

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**In Re: Senior American Insurance       : No. 1 SAI 2018**  
**Company                                       :**  
**In Liquidation**

**NOTICE TO ALL CLAIMANTS OF**  
**SENIOR AMERICAN INSURANCE COMPANY**

PLEASE TAKE NOTICE that Michael Humphreys, in his official capacity as Acting Insurance Commissioner of the Commonwealth of Pennsylvania, and as such, Statutory Liquidator of Senior American Insurance Company (In Liquidation) (“Liquidator”), has filed for approval of his Final Accounting, Proposal for Final Distribution and Final Report and Recommendations on Claims as of January 31, 2023, 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”, “e” and “f” priority claims that has been approved and allowed is \$28,529,043.40. There are no class “c”, “d”, “g”, “h” or “i” claims. The total net assets available for distribution, after payment of administrative expenses incurred by the Liquidator and a reserve of \$21,000 for future administrative expenses of the Liquidator, are \$6,843,373.44.

The Liquidator requests that:

1. The Final Accounting, Proposal for Final Distribution and Final Report and Recommendations on Claims as of January 31, 2023, of Michael Humphreys, in his official capacity as Acting Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator of Senior American Insurance Company (In Liquidation) (“SAIC”), be approved and confirmed absolutely.

2. The Liquidator be authorized to make a distribution of the assets of SAIC as follows:

- a. Priority class "a" claims will be paid at 100%. The Liquidator has already received \$429,947.82 in administrative expenses.
- b. Priority class "b" claims will be paid at least 19.07%.
- 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. There are no priority class "g" claims.
- 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 Liquidator be authorized to destroy records of SAIC in accordance with a recommendation to be filed by the Liquidator with the Court after the issuance of the Notice and the resolution of any objections received to the Final Accounting, Proposal for Final Distribution and the Final Report and Recommendations on Claims as of January 31, 2023.

5. Michael Humphreys, in his official capacity as Acting Insurance Commissioner of the Commonwealth of Pennsylvania, and his predecessor in office, be discharged as Statutory Liquidator of SAIC, and thereby released from any liability to make payment of any further claims, subject to the filing of an application by the Liquidator with this Court seeking the discharge upon completion of the final distribution.

TAKE FURTHER NOTICE that objections to the Final Accounting, Proposal for Final Distribution and Final Report and Recommendations on Claims as of January 31, 2023, must be filed in writing with the Commonwealth Court of Pennsylvania, Office of the Prothonotary, 601 Commonwealth Avenue, Suite 2100, P.O. Box 69185, Harrisburg, Pennsylvania 17106-9185. In the event of such a filing, please refer to Docket No. 1 SAI 2018.

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, Proposal for Final Distribution and Final Report and Recommendations on Claims as of January 31, 2023, are available to interested parties for inspection at the Commonwealth Court of Pennsylvania, Office of the Prothonotary, 601 Commonwealth Avenue, Suite 2100, Harrisburg, Pennsylvania 17106-9185 ; and the PA Insurance Department, 901 North 7th Street, Harrisburg, Pennsylvania 17102.

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

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Laura L. Slaymaker  
Deputy Insurance Commissioner

## **EXHIBIT D**

**Undisputed and Resolved Claims**  
**Undisputed Claims**

**SENIOR AMERICAN INSURANCE COMPANY**  
**Report Period: 9/3/2021 thru 1/31/2023**

Number of Undisputed Claims:	4	Amount Claimed:	\$28,210,547.07	Amount Approved:***	\$28,525,693.38
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\*\*\* When NOLHGA's priority class "A" claim was filed on behalf of the guaranty associations that have administered SAIC claims, it was recorded in the Liquidator's claim system after being reduced to account for special deposits. However, when the Liquidator issued NOLHGA's Notice of Determination ("NOD") for their class "A" claim, the NOD was issued at the gross value of the guaranty associations' administrative expenses for accounting purposes, and thus did not include the reduction for special deposits. Therefore, the "Amount Approved" number is more than the "Amount Claimed" number.

**Undisputed and Resolved Claims  
Undisputed Claims**

**SENIOR AMERICAN INSURANCE COMPANY  
Report Period: 09/03/2021 thru 01/31/2023**

Name	Address	POC Number	Received Date	Claim Number	Class	Amount Claimed	Amount Allowed	POC Type
ARIZONA LIFE AND DISABILITY GUARANTY FUND	ARIZONA LIFE AND DISABILITY GUARANTY FUND: 15 N. 15 AVE SUITE 1020 PHOENIX, AZ 85007	4	10/7/2019		A	\$0.00	\$0.00	GUARANTY ASSOC ADMIN
NOLHQA	NOLHQA 13873 PARK CENTER RD @ SUITE 5050 HERNDON, VA 20171	11	02/4/2022		A	\$1,419,288.86	\$1,734,445.17	GUARANTY ASSOC ADMIN
NOLHQA	NOLHQA 13873 PARK CENTER RD @ SUITE 5050 HERNDON, VA 20171	12	02/4/2022		B	\$28,789,528.80	\$28,789,528.80	GUARANTY ASSOC LOSS
FLORIDA DEPARTMENT OF REVENUE	FLORIDA DEPARTMENT OF REVENUE P O BOX 90450 TALLAHASSEE, FL 32314	10	09/20/21		F	\$1,721,411	\$1,721,411	STATELOCAL

**Undisputed and Resolved Claims  
Resolved Claims**

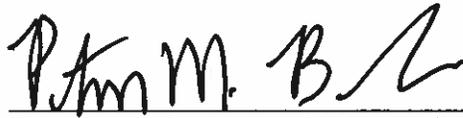
**SENIOR AMERICAN INSURANCE COMPANY**

**Report Period: 09/03/2021 thru 01/31/2023**

Number of Resolved Claims:	0	Amount Claimed:	\$0.00	Amount Approved:	\$0.00
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**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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Preston M. Buckman (ATTY ID #57570)  
Insurance Department Counsel  
Office of Liquidations, Rehabilitations  
& Special Funds  
[pbuckamn@pa.gov](mailto:pbuckamn@pa.gov)  
Governor's Office of General Counsel  
901 N. 7<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Harrisburg, PA 17102  
(717) 886-2080

Attorney for Michael Humphreys, Acting Insurance  
Commissioner of the Commonwealth of  
Pennsylvania, in his capacity as Liquidator of Senior  
American Insurance Company, In Liquidation

Dated: February 28, 2023

**CERTIFICATE OF SERVICE**

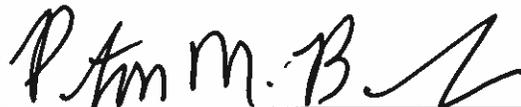
I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding, in accordance with the requirements of Pa. R.A.P. 3780, in the following manner:

**Service via email or regular U.S. Mail addressed as follows:**

Benedict J. Iacovetti, Chief  
Executive Officer  
[biacovetti@afltc.com](mailto:biacovetti@afltc.com)  
AF&L Insurance Company  
Senior American Insurance Company  
580 Virginia Drive, Suite 330  
Fort Washington, PA 19034  
(215) 918-0515  
(215) 918-0565 (Fax)

Bart A. Boles, Executive Director  
[bboles@txlifega.org](mailto:bboles@txlifega.org)  
Texas Life & Health Insurance Guaranty  
Association  
515 Congress Ave, Suite 1875  
Austin, TX 78701  
(512) 476-5101  
(800) 982-6362 (Toll Free)  
(512) 472-1470 (Fax)

Matthew Coble, Esquire  
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(717) 232-5000  
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Preston M. Buckman (ATTY ID #57570)  
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Attorney for Michael Humphreys, Acting Insurance  
Commissioner of the Commonwealth of  
Pennsylvania, in his capacity as Liquidator of Senior  
American Insurance Company, In Liquidation

Dated: February 28, 2023

