

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Jessica K. Altman,  
Insurance Commissioner of the  
Commonwealth of Pennsylvania

Plaintiff

v.

Docket No. 1 BIC 2021

Bedivere Insurance Company,  
1880 JFK Boulevard  
Suite 801  
Philadelphia, PA 19103

Defendant.

---

**PETITION FOR DECLARATION OF INSOLVENCY**

---

Plaintiff, Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”), files this application for relief requesting entry of a judicial declaration of insolvency of Bedivere Insurance Company (“Bedivere”) as of the date of its liquidation, and, in support thereof, states the following:

BACKGROUND

1. On March 2, 2021, the Commissioner filed a Petition for Review in the Nature of a Complaint for Order of Liquidation of Bedivere based upon consent and insolvency pursuant to Article V of the Insurance Department Act of 1921, as

amended by the Act of December 14, 1977, P.L. 280, No. 92 (“Article V”), 40 P.S. §§ 221.14 (grounds for rehabilitation), 221.19 (grounds for liquidation same as rehabilitation), 221.20 (petition for liquidation).

2. Bedivere is a domestic stock property and casualty insurance company that is organized pursuant to the laws of the Commonwealth of Pennsylvania and is authorized to write the lines of business described in 40 P.S. §§ 382(b)(1)-(3) and (c)(1)-(14).

3. Bedivere is a member of Pennsylvania Property and Casualty Insurance Guaranty Association (“PPCIGA”).

4. PPCIGA is an entity created pursuant to Article XVIII of the Insurance Company Law (“Guaranty Act”), Act of May 17, 1921, P.L. 682, No. 284, art. XVIII, as amended by the Act of December 12, 1994, P.L. 1005, No. 137, 40 P.S. §§ 991.1801-991.1820, whose purpose is to protect against any member insurer’s failure to perform its contractual obligations under property and casualty insurance policies due to impairment or insolvency by paying covered claims in accordance with the limitations set forth in the Guaranty Act. 40 P.S. § 991.1801.

5. Pursuant to the provisions of the Guaranty Act, PPCIGA’s obligation to step in to protect policyholders and claimants from financial loss by paying covered claims is triggered by a determination of insolvency entered by the

Commonwealth Court in a liquidation proceeding. 40 P.S. §§ 991.1702 (definition of “insolvent insurer”), 991.1706(c) (powers and duties of association).

6. Section 520(f) of Article V provides that the Commonwealth Court may issue a determination of insolvency, triggering PPCIGA coverage, upon petition of the Commissioner following an administrative finding of insolvency and a hearing before the Commissioner. 40 P.S. § 221.20(f).

7. On March 2, 2021, the Pennsylvania Insurance Department filed a Petition for Entry of Summary Order Finding Bedivere Insolvent (“Petition”) with the Commissioner. A true and correct copy of the Petition is attached as Exhibit A and incorporated here by reference.

8. On March 5, 2021, the Commissioner held an administrative hearing on the Petition.

9. On March 8, 2021, the Commissioner issued an Order granting the Petition and finding Bedivere to be insolvent (“Administrative Order”). A true and correct copy of the Administrative Order is attached as Exhibit B and incorporated herein by reference.

10. The Petition was unopposed.

#### BEDIVERE IS STATUTORILY INSOLVENT

11. Under 40 P.S. §§ 221.14, 221.19 and 221.20(b), an order of liquidation may be entered if the insurer is insolvent. 40 P.S. § 221.14(1) (order of rehabilitation

may be issued based upon insurer's insolvency); 40 P.S. § 221.19 (order of liquidation may be issued on the same grounds as order of rehabilitation).

12. Under Section 503 of Article V, 40 P.S. § 221.3, an insurer is insolvent if its admitted assets do not exceed its liabilities plus the greater of its capital and surplus required by law or its authorized and issued capital stock. 40 P.S. § 221.3.

13. Under 40 P.S. § 386(c), Defendant Bedivere's minimum required capital and surplus is \$3,525,000.

14. Under 40 P.S. § 443(a), Defendant Bedivere is required to file annual and quarterly statements of its financial condition with the Commissioner.

15. On or about March 1, 2021, Defendant Bedivere filed its annual financial statement for the year ending December 31, 2020 ("2020 Annual Statement") with the Commissioner. True and correct copies of pages 1-3 of Bedivere's 2020 Annual Statement are attached as Exhibit 8 to this petition and incorporated herein by reference.

16. Defendant Bedivere's officers personally attested that its 2020 Annual Statement was a "full and true statement" of "all of the assets and liabilities and of the condition and affairs" of Bedivere. *See* Exhibit 8 (2020 Annual Statement, p. 1).

17. As of December 31, 2020, Defendant Bedivere's liabilities, plus its authorized and issued capital stock, exceeded its admitted assets by almost \$282 million:

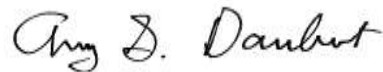
	<b>2020 Annual Statement</b>
<b>Admitted Assets</b>	\$300,974,847
<b>Liabilities</b>	\$578,459,847
<b>Authorized and Issued Capital Stock</b>	\$4,200,000
<b>Liabilities + Authorized and Issued Capital Stock</b>	\$582,659,847
<b>Total Insolvency (line 1 – line 4)</b>	(\$281,685,000)
<b>(Admitted Assets minus sum of Liabilities and Authorized and Issued Capital Stock)</b>	

18. Under Section 503 of Article V, Defendant Bedivere is statutorily insolvent. *See* 40 P.S. § 221.3 (definition of “insolvency”). As Defendant Bedivere has admitted in its 2020 Annual Statement, its admitted assets do not exceed its liabilities plus its authorized and issued capital stock. Bedivere’s insolvency provides an independent and sufficient ground for the entry of an Order for Liquidation. (*See* paragraph 26, *supra*)

19. Under Section 503 of Article V, Bedivere is statutorily insolvent. *See* 40 P.S. § 221.3 (definition of “insolvency”). Bedivere’s liabilities, plus any capital and surplus required by law, exceed its admitted assets.

WHEREFORE, Plaintiff, Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, respectfully requests that this Honorable Court declare that Bedivere is statutorily insolvent.

Respectfully submitted,



---

AMY GRIFFITH DAUBERT (Atty ID #62064)  
[adaubert@pa.gov](mailto:adaubert@pa.gov)  
Chief Counsel

JODI A. FRANTZ (Atty ID #84727)  
[jodfrantz@pa.gov](mailto:jodfrantz@pa.gov)  
Deputy Chief Counsel

KATHRYN MCDERMOTT SPEAKS (Atty ID #77238)  
[kspeaks@pa.gov](mailto:kspeaks@pa.gov)  
Senior Litigation Counsel

JOHN J. LACEK, IV (Atty ID #319369)  
[jlacek@pa.gov](mailto:jlacek@pa.gov)  
Department Counsel  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg, PA 17120  
(717) 787-2567

*Counsel for Jessica K. Altman  
Insurance Commissioner of the  
Commonwealth of Pennsylvania*

DATED: March 8, 2021

# **EXHIBIT A**

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	SUMMARY ORDER
	:	
Bedivere Insurance Company	:	Pursuant to Sections 503, 510 and
1880 JFK Boulevard	:	520(f) of Article V of the Insurance
	:	Department
Suite 801	:	Act of 1921, P.L. 789, <u>as amended</u> ,
Philadelphia, PA 19103	:	40 P.S. §§ 221.3, 221.10, 221.20(f).
	:	
	:	Confidential Docket No. <u>    </u>

---

**PETITION FOR ENTRY OF SUMMARY ORDER  
FINDING  
BEDIVERE INSURANCE COMPANY  
INSOLVENT**

---

The Pennsylvania Insurance Department (“Department”) hereby requests that the Insurance Commissioner (“Commissioner”) enter a summary order finding Bedivere Insurance Company (“Bedivere”) to be insolvent under Article V of the Insurance Department Act of 1921, Act of May 17, 1921, 40 P.S. §§ 221.3, 221.10, 221.20(f), and, in support thereof, states the following:

**BACKGROUND**

1. Bedivere is a domestic stock property and casualty insurance company that is organized pursuant to the laws of the Commonwealth of Pennsylvania and



has its principal place of business at 1880 JFK Boulevard, Suite 801, Philadelphia, Pennsylvania 19103.

2. Bedivere is part of an insurance holding company system. Trebuchet US Holdings, Inc. (“Trebuchet”), a Delaware company, is the 100% owner and sole shareholder of Bedivere.

3. Bedivere is authorized to write the lines of business described in 40 P.S. §§ 382(b)(1)-(3) and (c)(1)-(14).

4. Defendant Bedivere is, and at all material times has been, engaged in the lines of insurance described in Paragraph 3, *supra*.

5. Bedivere is subject to the jurisdiction of the Commissioner under Article V of the Insurance Department Act of 1921 (“Article V”). *See* 40 P.S. §§ 221.2 (persons covered), 221.3 (definitions of “insurer” and “doing business”), 221.10 (Commissioner’s summary orders).

6. The Department plans to file a petition for the liquidation of Bedivere with the Commonwealth Court for the protection of Bedivere’s policyholders, creditors and assets.

7. The Pennsylvania Property and Casualty Insurance Guaranty Association (“PPCIGA”) is an entity created pursuant to Article XVIII of the Insurance Company Law (“Guaranty Act”), Act of May 17, 1921, P.L. 682, No. 284, art. XVIII, as amended by the Act of December 12, 1994, P.L. 1005, No. 137, 40

P.S. §§ 991.1801-991.1820, whose purpose is to protect against any member insurer's failure to perform its contractual obligations under property and casualty insurance policies due to impairment or insolvency by paying covered claims in accordance with the limitations set forth in the Guaranty Act. *See* 40 P.S. § 991.1801.

8. Pursuant to the provisions of the Guaranty Act, PPCIGA's obligation to step in to protect policyholders and claimants from financial loss by paying covered claims is triggered by a determination of insolvency. *See* 40 P.S. §§ 991.1802 (definition of "insolvent insurer"), 991.1803(b) (powers and duties of association).

9. Section 520(f) of Article V provides that the Commonwealth Court may issue a declaration of insolvency, triggering PPCIGA coverage, upon petition of the Commissioner following an administrative finding of insolvency and a hearing before the Commissioner. *See* 40 P.S. § 221.20(f).

### **BEDIVERE IS STATUTORILY INSOLVENT**

10. Under Section 503 of Article V, 40 P.S. § 221.3, an insurer is insolvent if its admitted assets do not exceed its liabilities plus the greater of its capital and surplus required by law or its authorized and issued capital stock. *See* 40 P.S. § 221.3 (definition of "insolvency").

11. Pursuant to 40 P.S. § 221.3, an insurer is insolvent if its liabilities exceed its capital and surplus required by law.

12. Bedivere is required to have a minimum capital and surplus of \$ 3,525,000. *See* 40 P.S. § 386(c).

13. Under 40 P.S. § 443(a), Bedivere is required to file annual and quarterly statements reporting its financial condition with the Commissioner.

14. On or about March 1, 2021, Bedivere filed its financial statement for the year 2020 with the Commissioner. True and correct copies of pages 1-3 of Bedivere's 2020 Annual Statement are attached as Exhibit 1 and incorporated herein by reference.

15. Bedivere's officers personally attested that its Annual Statement was a "full and true statement" of "all of the assets and liabilities and of the condition and affairs" of Bedivere. *See* Ex. 1, p. 1.

16. As of December 31, 2020, Bedivere’s liabilities plus its minimum required capital and surplus exceeded its admitted assets by almost \$282 million.

	<b>2020 Annual Statement</b>
<b>Admitted Assets</b>	\$300,973,189
<b>Liabilities</b>	\$578,458,453
<b>Authorized and Issued Capital Stock</b>	\$4,200,000
<b>Liabilities + Authorized and Issued Capital Stock</b>	\$582,658,453
<b>Total Insolvency (line 1 – line 4)</b>	(\$281,685,264)
<b>(Admitted Assets minus sum of Liabilities and Authorized and Issued Capital Stock)</b>	

See Ex. 1, p. 2-3; *supra*, ¶¶ 10-12.

17. Under Section 503 of Article V, Bedivere is statutorily insolvent because, as Bedivere has admitted in its Annual Statement, assets do not exceed its liabilities plus its minimum required capital and surplus. See 40 P.S. § 221.3 (definition of “insolvency”).

18. Risk-based capital (“RBC”) is a tool developed by the National Association of Insurance Commissioners (“NAIC”) to assist state insurance regulators in identifying insurers in a weak or deteriorating capital position and to authorize regulatory action based solely on RBC results to avoid or minimize the impact of insolvencies.

19. Under 40 P.S. § 221.2-a, every domestic insurer must submit to the Commissioner a report of its RBC levels, as of the end of the immediately preceding calendar year, on or before March 1 of each year.

20. Under 40 P.S. § 221.9-a(2), the filing of an RBC report that indicates that an insurer's total adjusted capital is less than its mandatory control level RBC provides an independent and sufficient basis for the entry of an order of liquidation. 40 P.S. § 221.1-A (definition of "mandatory control level event"); 40 P.S. § 221.9-A(2)(mandatory control level event "shall be deemed sufficient grounds" for entry of order of rehabilitation under 40 P.S. § 221.14); 40 P.S. § 221.19 (order of liquidation may be issued on same grounds as order of rehabilitation).

21. On or about March 1, 2021, Bedivere filed an RBC report with the Department for the year ending December 31, 2020. True and correct copies of pages PR001 and PR034 of Bedivere's RBC report are attached as Exhibits 2 and 3 to this petition and incorporated herein by reference.

22. Bedivere's 2020 RBC report indicated that its total adjusted capital of (\$277,485,264) was less than its mandatory control level RBC of \$62,105,650, the occurrence of a mandatory control level event. *See* Exhibit 3.

23. Bedivere's officers personally represented that its 2020 RBC Report was a "true and fair representation of the company's affairs and has been completed in

accordance with the NAIC instructions according to the best of their information, knowledge and belief.” See Exhibit 2 (2020 RBC Report, PR001).

24. Bedivere’s filing of its 2020 RBC Report indicating the occurrence of a mandatory control level event provides independent and sufficient grounds for the Commissioner to declare Bedivere to be insolvent.

WHEREFORE, the Pennsylvania Insurance Department respectfully requests that the Insurance Commissioner issue a summary order finding that Bedivere is insolvent.

Respectfully submitted,

John J. Lacek,  
JOHN J. LACEK, IV (Attorney ID #316369)  
jlacck@pa.gov  
Department Counsel

AMY G. DAUBERT (Attorney ID #62064)  
adaubert@pa.gov  
Chief Counsel

JODI A. FRANTZ (Attorney ID #84727)  
jodfrantz@pa.gov  
Deputy Chief Counsel

KATHRYN MCDERMOTT SPEAKS (Attorney ID #77238)  
kspeaks@pa.gov  
Senior Litigation Counsel  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg, PA 17120  
(717) 787-2567  
Counsel for the Pennsylvania Insurance Department,  
Commonwealth of Pennsylvania

DATED: March 2, 2021

## **EXHIBIT 1**

**ANNUAL STATEMENT**  
 For the Year Ended December 31, 2020  
 OF THE CONDITION AND AFFAIRS OF THE  
**Bedivere Insurance Company**

NAIC Group Code	<u>04829</u>	NAIC Company Code	<u>21870</u>	Employer's ID Number	<u>23-1502700</u>
Country of Domicile	<u>Pennsylvania</u>		State of Domicile or Port of Entry	<u>Pennsylvania</u>	
Incorporated/Organized	<u>08/01/1956</u>		Commenced Business	<u>07/11/1956</u>	
Statutory Home Office	<u>1880 JFK Boulevard, Ste 801</u>		Philadelphia, PA, US 19103		
Main Administrative Office	<u>1880 JFK Boulevard, Ste 801</u>		Philadelphia, PA, US 19103	<u>215-685-5000</u>	
Mail Address	<u>1880 JFK Boulevard, Ste 801</u>		Philadelphia, PA, US 19103		
Primary Location of Books and Records	<u>1880 JFK Boulevard, Ste 801</u>		Philadelphia, PA, US 19103	<u>215-655-5000</u>	
Internet Web Site Address	<u>www.bedivere.com</u>				
Statutory Statement Contact	<u>Bryan Enos</u>		<u>857-403-1883</u>		
	<u>benos@bedivere.com</u>		<u>215-685-1889</u>		

**OFFICERS**

Name	Title	Name	Title
<u>Bryan John Enos</u>	<u>President/Treasurer</u>	<u>John Gerard Zimiski</u>	<u>Assistant Treasurer</u>
<u>Doreen Pauline Elizabeth Richards</u>	<u>Secretary</u>	<u>Terri Renee Weaver</u>	<u>Assistant Secretary</u>

**OTHER OFFICERS**

_____	_____	_____	_____
_____	_____	_____	_____

**DIRECTORS OR TRUSTEES**

<u>Brad Scott Huntington</u>	<u>John Carlecoil Williams</u>	<u>Sarah Hayes Lawhorne</u>	<u>Gary Joseph Omdorf</u>
<u>Stephen Jay Greenberg</u>	<u>Richard Charles Mazzo</u>		

State of Pennsylvania  
 County of Philadelphia

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period annexed and herein stated, and has been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that (1) some law may differ, or (2) that such rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this statement by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the attached statement. The electronic filing may be requested by various regulators in lieu of or in addition to the attached statement.

		
<u>Bryan John Enos</u> President/Treasurer	<u>John Gerard Zimiski</u> Assistant Treasurer	<u>Terri Renee Weaver</u> Assistant Secretary

Subscribed and sworn to before me  
 this \_\_\_\_\_ day of \_\_\_\_\_

a. Is this the original filing?  Yes  No  
 b. If no  
 1. State the amendment number \_\_\_\_\_  
 2. Date filed \_\_\_\_\_  
 3. Number of pages attached \_\_\_\_\_



ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Bedvare Insurance Company

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Not Admitted Assets (Cols 1 - 3)	Not Admitted Assets
1. Bonds (Schedule C)	138,009,001		138,036,091	132,508,907
2. Stocks (Schedule D)				
2.1 Preferred stocks	15,740,123		15,740,123	3,570,398
2.2 Common stocks	69,834,452		69,954,452	46,877,656
3. Mortgage loans on real estate (Schedule B)				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A)				
4.1 Properties occupied by the company (less encumbrances)			0	0
4.2 Properties held for the production of income (less encumbrances)			0	0
4.3 Properties held for sale (less encumbrances)			0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule D)	16,615,628		15,619,606	31,777,571
6. Contract loans (including premium notes)			0	0
7. Derivatives (Schedule DB)	0		0	0
8. Other invested assets (Schedule BA)	225,020		225,000	225,000
9. Receivables for securities	7,038,580		2,339,580	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, claim and invested assets (Lines 1 to 11)	261,817,244	0	261,810,244	214,669,482
13. Tax plants less charged off (for T-100 insurers only)			0	0
14. Investment income due and accrued	585,215		585,215	1,528,444
15. Premiums and considerations				
15.1 Uncollected premiums and agents' balances in the course of collection	10,651,756		10,651,756	10,311,050
15.2 Deferred premiums, agents' balances and amounts booked but deleted and not yet due including earned but unpaid premiums			0	0
15.3 Accrued retrospective premiums and contracts subject to determination			0	0
16. Reinsurance				
16.1 Amounts recoverable from reinsurers	34,536,136		34,398,136	176,345,610
16.2 Funds held by or deposited with reinsured companies	433,123		433,123	436,599
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to unexpired plans			0	0
18. Current federal and foreign income tax recoverable and investment interest	633,947		633,947	2,524,587
19. Net deferred tax asset			0	0
20. Guaranty funds receivable or on deposit			0	47,408
21. Electronic data processing equipment and software			0	0
22. Furniture and equipment, including health care delivery assets			0	0
23. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
24. Receivables from parent, subsidiaries and affiliates			0	0
25. Health care ( ) and other amounts receivable			0	0
26. Aggregate write-ins for other-than-invested assets	14,554,577	3,409,214	11,244,939	4,898,595
27. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 26)	334,287,457	3,399,238	300,673,196	26,127,718
28. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
29. Total (Lines 25 and 27)	304,292,427	3,399,238	300,673,196	26,127,718
DETAILS OF WRITE-INS				
1101				
1102				
1103				
1160 Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1172 Totals (Lines 1101 through 1103 plus 1160) (Line 11 above)	0	0	0	0
2501 Fixed Fee Fees	1,236,290	1,235,200	0	0
2502 Subj. Bu. Fees	8,604,291		4,604,291	12,568,255
2503 Pk. Building and Other Misc. Assets	1,867,568	2,674,318	1,775,459	370,751
2598 Summary of remaining write-ins for Line 25 from overflow page	3,327,300	0	3,024,200	0
2599 Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	14,444,377	3,399,238	11,244,939	12,899,699

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Bedivere Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 6)	623,290,217	467,260,354
2. Reinsurance payable on paid losses and less adjustment expenses (Schedule F, Part 1, Column 6)	301,420	331,693
3. Loss adjustment expenses (Part 2A, Line 35, Column 7)	60,180,118	74,564,256
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, interest and fees)	571,377	531,492
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	14,807	174,891
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability	120,768	316,793
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 35, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebates per the Public Health Service Act)	763	621
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	646,120	649,170
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	522,538	518,043
14. Amounts withheld or retained by company for account of others		0
15. Penalties and demands (including \$)		0
16. Provision for reinsurance (including \$ ceded) (Schedule F, Part 3, Column 20)	26,909,554	2,507,207
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding	3,249,365	1,596,740
19. Payable to parent, subsidiaries and affiliates	442,728	120,466
20. Derivatives	0	0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under unaffiliated trusts		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	(157,480,411)	(1,422,765,115)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	579,458,451	311,046,325
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	579,458,451	311,046,325
29. Aggregate write-ins for special surplus funds	1,268,314,262	209,314,262
30. Common capital stock	4,200,000	4,200,000
31. Preferred capital stock		0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes	101,000,000	101,000,000
34. Gains paid in and contributed surplus	163,043,799	1,133,006,589
35. Unassigned funds (surplus)	(1,819,429,671)	(1,506,022,078)
36. Less treasury stock, at cost		
36.1 shares common (value included in Line 30)	676,540,932	311,360,168
36.2 shares preferred (value included in Line 31)		0
37. Surplus as regards policyholders (Line 29 to 35, less 36) (Page 4, Line 30)	(271,445,264)	15,982,185
38. Totals (Page 2, Line 29, Col 3)	309,973,189	311,360,320
DETAILS OF WRITE-INS		
2501. Ceded licenses payable to Cover Frazer	8,513,600	2,513,600
2502. Actuarial accident loss fund	746,742	1,063,723
2503. Retrospective Reinsurance Reserve	1167,121,433	1,127,363,166
2504. Summary of remaining write-ins for Line 25 from overflow page	0	1,700,000
2505. Totals (Lines 2501 through 2503 plus 2504) (Line 25 above)	1,176,960,811	(1,027,363,121)
2901. Special Surplus for Redemptive Reinsurance Account	1,268,314,262	1,268,314,262
2902.		
2903.		
2904. Summary of remaining write-ins for Line 29 from overflow page	0	0
2905. Totals (Lines 2901 through 2903 plus 2904) (Line 29 above)	1,268,314,262	1,268,314,262
3201.		
3202.		
3203.		
3204. Summary of remaining write-ins for Line 32 from overflow page	0	0
3205. Totals (Lines 3201 through 3203 plus 3204) (Line 32 above)	0	0

## **EXHIBIT 2**



**COMPANY INFORMATION PAGE (JURAT)  
Property Risk-Based Capital  
For the Year Ending December 31, 2020**

(A) Company Name Bedivere Insurance Company

(B) NAIC Group Code 04829

(C) NAIC Company Code 21970

(D) Employer's ID Number 23-1502700

(E) Organized Under the Laws of the State of US

Contact Person for Risk-Based Capital:

(F) First Name Bryan

(G) Middle

(H) Last Name Enos

(I) Mail Address of Contact Person 3 Batterymarch Park, Suite 101

(Street and Number or P.O. Box)

(J) City Quincy

(K) State MA

(L) Zip 02169

(M) Phone Number of RBC Contact Person 857-403-1883

Extension

Email benos@armourrisk.com

(N) Date Prepared

(O) Preparer (if different than Contact)

First Name

Middle Name

Last Name

(P) Is this filing an Original, Amended or Refiling? (O,A,R) Original

(P1) If Amended, Amended Number

(Q) Were any items that come directly from the annual statement entered manually to prepare this filing? (Y/N) No

Officer Name: Bryan John Enos

John Gerard Zimitski

Terri Renee Weaver

Officer Title: President/Treasurer

Assistant Treasurer

Assistant Secretary

Each says that they are the above described officers of the said insurer, and that this risk-based capital is a true and fair representation of the company's affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief, respectively.

Signature

Signature

Signature

PR001

## **EXHIBIT 3**

**COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL PR034**  
 Excluding the Trend Test:

	<u>Abbreviation</u>	<u>(1) Amount</u>
(1) Total Adjusted Capital (Post-Deferred Tax: PR029 Line 14)		(277,485,264)
(2) Company Action Level = 200% of Authorized Control Level	CAL	177,525,768
(3) Regulatory Action Level = 150% of Authorized Control Level	RAL	133,144,326
(4) Authorized Control Level = 100% of Authorized Control Level	ACL	88,762,884
(5) Mandatory Control Level = 70% of Authorized Control Level	MCL	62,134,019
(6) Level of Action, if Any (excluding the trend test)		Mandatory Control Level

Including the Trend Test:

(7) Level of Action, if Any (including the trend test)		Mandatory Control Level
--	--	-------------------------


PR034

**THE FOLLOWING NUMBERS MUST BE REPORTED IN THE FIVE YEAR HISTORY EXHIBIT ON THE INDICATED LINE**

Total Adjusted Surplus to Policyholders	Five Yr Hist C1 L28	L(1)(1)	(277,485,264)
Authorized Control Level Risk-Based Capital	Five Yr Hist C1 L29	L(4)(1)	88,762,884

VERIFICATION

I verify that the statements made in the Petition for Entry of Summary Order Finding **Bedivere Insurance Company Insolvent** are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

  
Melissa Greiner  
Deputy Insurance Commissioner

Dated: March 2, 2021

**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 1 Pa. Code Chapter 33 in the following manner:

Service by email, as indicated below:

Steven Burgess Davis  
[sdavis@stradley.com](mailto:sdavis@stradley.com)  
Stradley Ronan Stevens & Young, LLP  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103-7018

John J. Lacek  
JOHN J. LACEK, IV (Attorney ID #316369)  
[jlacek@pa.gov](mailto:jlacek@pa.gov)  
Department Counsel

AMY G. DAUBERT (Attorney ID #62064)  
[adaubert@pa.gov](mailto:adaubert@pa.gov)  
Chief Counsel

JODI A. FRANTZ (Attorney ID #84727)  
[jodfrantz@pa.gov](mailto:jodfrantz@pa.gov)  
Deputy Chief Counsel

KATHRYN MCDERMOTT SPEAKS (Attorney ID #77238)  
[kspeaks@pa.gov](mailto:kspeaks@pa.gov)  
Senior Litigation Counsel

Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg, PA 17120  
(717) 787-2567

Counsel for the Pennsylvania Insurance Department,  
Commonwealth of Pennsylvania

DATE: March 2, 2021



BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	SUMMARY ORDER
	:	
Bedivere Insurance Company	:	Pursuant to Sections 503, 510
	:	and 520(f) of Article V of the
1880 JFK Boulevard	:	Insurance Department
Suite 801	:	Act of 1921, P.L. 789, <u>as amended</u> ,
Philadelphia, PA 19103	:	40 P.S. §§ 221.3, 221.10, 221.20(f).
	:	
		Confidential Docket No. SP17-12-003

**ORDER**

**THIS ORDER** is made this \_\_\_\_\_ day of March 2021, and addresses the unopposed Petition for Summary Order declaring Bedivere Insurance Company (“Bedivere”) insolvent. A hearing upon the petition was conducted on March \_\_, 2021. Testifying was Melissa Greiner, Deputy Insurance Commissioner for the Office of Corporate and Financial Regulation of the Pennsylvania Insurance Department. The record establishes the following:

**Findings of Fact**

1. On March 2, 2021, the Pennsylvania Insurance Department (“Department”) filed an unopposed Petition seeking a summary order from the Pennsylvania Insurance Commissioner declaring Bedivere insolvent. [Docket Exhibit 1].

2. An insurer is considered to be statutorily insolvent if its admitted assets do not exceed its liabilities plus any statutorily required capital and surplus. 40 P.S. § 221.3.

3. Under 40 P.S. § 386(c), Bedivere's minimum required capital and surplus is \$3,525,000.

4. Bedivere's 2020 Annual Statement demonstrates that, as of December 31, 2020, Bedivere's liabilities plus any statutorily required capital and surplus exceeded its admitted assets by almost \$282 million.

	<b>2020 Annual Statement</b>
<b>Admitted Assets</b>	\$300,973,189
<b>Liabilities</b>	\$578,458,453
<b>Authorized and Issued Capital Stock</b>	\$4,200,000
<b>Liabilities + Authorized and Issued Capital Stock</b>	\$582,658,453
<b>Total Insolvency (line 1 – line 4)</b>	(\$281,685,264)
<b>(Admitted Assets minus sum of Liabilities and Authorized and Issued Capital Stock)</b>	

See Ex. 1 (2020 Annual Statement), p. 2-3; *supra*, ¶¶ 10-12.

5. Under 40 P.S. § 221.9-A(2), the filing of an RBC report that indicates that an insurer's total adjusted capital is less than its mandatory control level RBC provides an independent and sufficient basis for the entry of an order of liquidation.

40 P.S. § 221.1-A (definition of “mandatory control level event”); 40 P.S. § 221.9-A(2)(mandatory control level event “shall be deemed sufficient grounds” for entry of order of rehabilitation under 40 P.S. § 221.14); 40 P.S. § 221.19 (order of liquidation may be issued on same grounds as order of rehabilitation).

6. On or about March 1, 2021, Bedivere filed an RBC report with the Department for the year ending December 31, 2020. See, Ex. 1 and Ex.2 (2020 RBC Report).

7. Bedivere’s 2020 RBC report indicated that its total adjusted capital of \$277,485,264) was less than its mandatory control level RBC of \$62,134,019, the occurrence of a mandatory control level event.

8. Bedivere’s officers personally represented that its 2020 RBC Report was a “true and fair representation of the company’s affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief.” See Ex. 2 (2020 RBC Report, PR001).

9. Bedivere’s filing of its 2020 RBC Report indicating the occurrence of a mandatory control level event provides independent and sufficient grounds for the Commissioner to declare Bedivere to be insolvent.

**ORDER**

Accordingly, it is ORDERED that the petition is GRANTED, and Bedivere is declared INSOLVENT. This order is effective immediately.

---

Jessica K. Altman  
Insurance Commissioner

# **EXHIBIT B**

**RECEIVED**

By Admin Hearings, Ins Dept at 12:35 pm, Mar 08, 2021

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to Sections 503, 510 and 520(f)  
: of Article V of the Insurance Department  
**Bedivere Insurance Company** : Act of 1921, P.L. 789, as amended, 40  
1880 JFK Boulevard Suite 801 : P.S. §§221.3, 221.10, 221.20(f).  
Philadelphia, PA 19103 :  
:  
:  
: Docket No. **SP21-03-001**  
: (CONFIDENTIAL DOCKET)

**ORDER**

**THIS ORDER** is made this 8th day of March 2021, and addresses the unopposed Petition for Summary Order declaring Bedivere Insurance Company (“Bedivere”) insolvent. A hearing upon the petition was conducted via videoconference on March 5, 2021, attended by counsel and a representative for the Pennsylvania Insurance Department as well as by counsel for Bedivere Insurance Company. Eight exhibits were introduced and made part of the record. [Exhibits PID-1 through PID-8]. The record establishes the following:

**Findings of Fact and Conclusions of Law**

1. On March 2, 2021, the Pennsylvania Insurance Department (“Department”) filed an unopposed Petition seeking a summary order from the Pennsylvania Insurance Commissioner declaring Bedivere insolvent. [Docket Exhibit 1].
2. An insurer is considered to be statutorily insolvent if its admitted assets do not exceed its liabilities plus any statutorily required capital and surplus. 40 P.S. § 221.3.
3. Under 40 P.S. § 386(c), Bedivere’s minimum required capital and surplus is \$3,525,000.

DATE EMAILED: March 8, 2021

4. Bedivere's 2020 Annual Statement demonstrates that, as of December 31, 2020, Bedivere's liabilities plus any statutorily required capital and surplus exceeded its admitted assets by almost \$282 million.

	<b>2020 Annual Statement</b>
<b>Admitted Assets</b>	\$300,973,189
<b>Liabilities</b>	\$578,458,453
<b>Authorized and Issued Capital Stock</b>	\$4,200,000
<b>Liabilities + Authorized and Issued Capital Stock</b>	\$582,658,453
<b>Total Insolvency (line 1 – line 4)</b>	(\$281,685,264)
<b>(Admitted Assets minus sum of Liabilities and Authorized and Issued Capital Stock)</b>	

[Exhibit PID-4 pp. 2-3].

5. Under 40 P.S. § 221.9-A(2), the filing of an RBC report that indicates that an insurer's total adjusted capital is less than its mandatory control level RBC provides an independent and sufficient basis for the entry of an order of liquidation. 40 P.S. § 221.1-A (definition of "mandatory control level event"); 40 P.S. § 221.9-A(2) (mandatory control level event "shall be deemed sufficient grounds" for entry of order of rehabilitation under 40 P.S. § 221.14); 40 P.S. § 221.19 (order of liquidation may be issued on same grounds as order of rehabilitation).

6. On or about March 1, 2021, Bedivere filed an RBC report with the Department for the year ending December 31, 2020. [Exhibits PID-5, PID-6].

7. Bedivere's 2020 RBC report indicated that its total adjusted capital of negative \$277,485,264 was less than its mandatory control level RBC of \$59,646,292, the occurrence of a mandatory control level event. [Exhibit PID-6].

8. Bedivere's officers personally represented that its 2020 RBC Report was a

“true and fair representation of the company’s affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief.” [Exhibit PID-5].

9. Bedivere’s filing of its 2020 RBC Report indicating the occurrence of a mandatory control level event provides independent and sufficient grounds for the Commissioner to declare Bedivere to be insolvent.

**ORDER**

Accordingly, it is ORDERED that the petition is GRANTED, and Bedivere is declared INSOLVENT. This order is effective immediately.

  
\_\_\_\_\_  
JESSICA K. ALTMAN  
Insurance Commissioner



## CERTIFICATE OF SERVICE

---

I hereby certify that I am this day serving the foregoing document upon the following parties of record in this proceeding and in the following manner:

Service by email, addressed as follows:

Steven Burgess Davis  
[sdavis@stradley.com](mailto:sdavis@stradley.com)  
Stradley Ronan Stevens & Young, LLP  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103-7018



AMY G. DAUBERT (Atty ID #62064)  
[adaubert@pa.gov](mailto:adaubert@pa.gov)  
Chief Counsel

JODI A. FRANTZ (Atty ID #84727)  
[jodfrantz@pa.gov](mailto:jodfrantz@pa.gov)  
Deputy Chief Counsel

KATHRYN MCDERMOTT SPEAKS (Atty ID #77238)  
[kspeaks@pa.gov](mailto:kspeaks@pa.gov)  
Senior Litigation Counsel

JOHN J. LACEK, IV (Atty ID 319369)  
[jlacek@pa.gov](mailto:jlacek@pa.gov)  
Department Counsel  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg, PA 17120  
(717) 787-2567

Counsel for the Pennsylvania Insurance  
Department, Commonwealth of Pennsylvania

DATE: March 8, 2021