

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

STATE OF OKLAHOMA ex rel.)
JOHN D. DOAK, Insurance Commissioner,)
)
 Petitioner,)
)
v.)
)
)
LINCOLN GENERAL INSURANCE)
COMPANY,)
)
 Respondent.)

FILED
DEC 11 2013
INSURANCE COMMISSIONER
OKLAHOMA

Case No. 13-0092-DIS

ORDER OF SUSPENSION OF CERTIFICATE OF AUTHORITY

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, having reviewed information received relating to Lincoln General Insurance Company, a Pennsylvania domiciled insurance company ("the Company" or "Lincoln"), and finds and orders as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Lincoln General Insurance Company is authorized to do business in Oklahoma as a property, casualty, marine, surety and workers compensation foreign insurer pursuant to Certificate of Authority Number 4594 (NAIC Number 33855).

FINDINGS OF FACT

1. The Company is a property and casualty insurer domiciled in Pennsylvania. The Insurance Department of the Commonwealth of Pennsylvania placed the Company in a voluntary “runoff” of all obligations in February 2009 and the Company ceased writing new policies. The Company continues to work with the Pennsylvania Insurance Department in an effort to satisfy all obligations and liabilities.

2. Prior to the beginning of the runoff, the company’s surplus was \$79,227,960. The company’s most recent quarterly financial statement, dated September 30, 2013, states the Company’s surplus to be \$1,326,456. The Company reported no direct premiums written in Oklahoma but did report direct losses unpaid of \$49,509.

3. Based in whole or in part on the Company’s financial statements between 2008 and 2013, various states have made findings resulting in formal suspension of the Company’s certificates of authority. These state regulators have concluded that the Company is in “hazardous financial condition,” in an “unsound condition” or “insolvent” within the meaning of various state statutes. In addition to these state-mandated suspensions, the Company entered into voluntary agreements to cease and desist writing business in additional states based on the Company’s financial statements between 2008 and 2012

4. Oklahoma law mandates the revocation or suspension of an insurer’s certificate of authority if the insurer fails to maintain minimum statutory capital and surplus. This Company no longer meets the requirements for its Oklahoma certificate of authority pursuant to 36 O.S. § 612.2. Based on the Company’s most recent quarterly statement; the actions of its state of domicile, Pennsylvania; and the actions of various other states; it is clear that the Company no longer meets the requirements for the authority originally granted it in Oklahoma because of

deficiency in assets and for other reasons within the meaning of 36 O.S. § 618(2) and OAC 365: 25-7-42.

5. The Company is in such a financial condition as to render its further transaction of insurance in this state hazardous to its policyholders or the people of this state within the meaning of 36 O.S. § 619(A) (3); OAC 365: 25-7-42.

CONCLUSIONS OF LAW

1. Pursuant to 36 O.S. §§ 618 and 619 (C) of the Oklahoma Insurance Code, the Insurance Commissioner has the authority to restrict the Company's insurance writings and suspend conduct of its insurance business in Oklahoma.

2. Pursuant to Sections 618 and 619 (C) of the Oklahoma Insurance Code, the Insurance Commissioner, based on the above findings of fact, concludes as a matter of law that the Company should be suspended from conducting business in Oklahoma; however the Company may continue to service existing policies, adjust claims under existing policies and do all matters necessary to attend to existing Oklahoma business and to abide by the terms of the runoff established by the Pennsylvania Insurance Department.

ORDER

IT IS THEREFORE ORDERED that Lincoln General Insurance Company is suspended from doing business in Oklahoma from the date of the filing of this Order. The Company may continue to service existing policies, adjust claims under existing policies and do all matters necessary to attend to existing business in Oklahoma and to abide by the terms of the runoff established by the Pennsylvania Insurance Department. The Company's actions enumerated in the Findings of Fact above constitute behavior that is a detriment to the public and constitutes a threat of immediate danger and significant, imminent and irreparable public injury

that is likely to continue if the Company is allowed to write new or renewal business; therefore, this Order shall take effect immediately.

IT IS FURTHER ORDERED that the Company may request a Hearing within thirty (30) days of receipt of this Order to determine if any reasons exist that should preclude any of the actions taken herein. Any request for Hearing should be in writing, addressed to Julie Meaders, Deputy General Counsel, Oklahoma Insurance Department, Five Corporate Plaza, 3625 N.W. 56th, Suite 100, Oklahoma City, OK 73112, and must state the grounds for the request to set aside or modify the Order. Pending hearing this Order shall continue in full force and effect unless stayed by the Commissioner. Any such hearing shall be conducted according to the procedures for contested cases under the Oklahoma Insurance Code, 75 O.S. §§ 250 et seq. and OAC 365:1-7-1 et seq. The allegations contained herein shall be the subject matter for the hearing, and such allegations may be amended as additional information is discovered. The Commissioner or his appointed Hearing Examiner reserves the right to impose additional or different administrative discipline at a Hearing, if warranted.

IT IS FURTHER ORDERED that if no hearing is requested within thirty (30) days of receipt of this Order, this Order shall become a Final Order.

WITNESS My Hand and Official Seal this 11th day of December, 2013.




PAUL WILKENING
Chief Deputy Insurance Commissioner
Oklahoma Insurance Department

CERTIFICATE OF SERVICE

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing document was mailed postage prepaid with return receipt requested on this 11th day of December, 2013, to:

Lincoln General Life Insurance Company
3501 Concord Road
York, PA 17402

Certified Mail No.
7001 0320 0004 4249 5524

Pennsylvania Insurance Department
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102

Certified Mail No.
7001 0320 0004 4249 5531

A copy was delivered to the Oklahoma Insurance Department Financial and Examination Division.

And notification was sent to NAIC/RIRS.



Julie Meaders
Deputy General Counsel

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 4249 5531

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: Pennsylvania Insurance Department
 Capital Associates Building
 901 N. 7th St.
 Harrisburg, PA 17102
 rtg/13-0092-DIS/Ord. of Sus. of COA

Postmark Here: OKLAHOMA CITY, OK
 DEC 11 2013
 USPS 7318-9988

PS Form 3800, January 2004

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <i>P. Jefferson</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery 12-16</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>
<p>1. Article Addressed to:</p> <p>RECEIVED OKLAHOMA INSURANCE DEPARTMENT DEC 23 2013 Legal D</p> <p>Pennsylvania Insurance Department Capital Associates Building 901 N. 7th St. Harrisburg, PA 17102 rtg/13-0092-DIS/Ord. of Sus. of COA</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p> <p>7001 0320 0004 4249 5531</p>	
PS Form 3811, February 2004	Domestic Return Receipt 102595-02-M-1540

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 4249 5524

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4

Lincoln General Life Insurance Company
 3501 Concord Road
 York, PA 17402
 rlg/13-0092-DIS/Ord. of Sus. of COA

PS Form 3800, January 2001

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lincoln General Life Insurance Company
 3501 Concord Road
 York, PA 17402
 rlg/13-0092-DIS/Ord. of Sus. of COA

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
K Graham

B. Received by (Printed Name) C. Date of Delivery
K Graham *12/16/13*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT
 DEC 23 2013
 Legal Division

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
 (Transfer from service label)

7001 0320 0004 4249 5524

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540