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SEP 19 2011
Department of Insurance
State of Idaho

Attorneys for Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

LINCOLN GENERAL
INSURANCE COMPANY,

Certificate of Authority No. 2545
NAIC No. 33855

Docket No. 18-2567-11

**ORDER OF CONTINUATION OF
SUSPENSION OF CERTIFICATE OF
AUTHORITY**

WHEREAS, Certificate of Authority No. 2545 issued to LINCOLN GENERAL INSURANCE COMPANY (“LINCOLN GENERAL”), a Pennsylvania-domiciled company licensed for property and casualty insurance in the state of Idaho under said certificate of authority, has been suspended by the Director of the Idaho Department of Insurance (“Director”) by orders dated November 10, 2009, and November 3, 2010, pursuant to Idaho Code §§ 41-327(2)(a) and 41-326(1)(b), respectively; and

WHEREAS, LINCOLN GENERAL is required to have capital of One Million Dollars (\$1,000,000) and surplus of One Million Dollars (\$1,000,000) pursuant to Idaho Code § 41-313; and, as of June 30, 2011, LINCOLN GENERAL reported capital of Four Million Two Hundred

Thousand Dollars (\$4,200,000) and surplus of negative Nine Hundred Ninety-three Thousand Eight Hundred Fifty-four Dollars (-\$993,854), as reflected in its June 30, 2011, statutory financial statement, and therefore does not meet the requirements for maintaining surplus set forth at Idaho Code § 41-313, and does not meet the requirements for a certificate of authority in the state of Idaho;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Idaho Code § 41-326(1)(b), that Certificate of Authority No. 2545 issued to LINCOLN GENERAL INSURANCE COMPANY be CONTINUED IN SUSPENSION effective immediately and that said suspension be continued for a period of one (1) year from the date of this order. The Director may terminate the suspension sooner if the cause for said suspension is terminated and LINCOLN GENERAL is otherwise in compliance with the provisions of title 41, Idaho Code.

IT IS FURTHER ORDERED that LINCOLN GENERAL comply with each of the requirements of Idaho Code § 41-329, including § 41-329(2), which states: "During the suspension period the insurer shall not solicit or write any new business in this state, but shall file its annual statement, pay fees, licenses, and taxes as required under this code, and may service its business already in force in this state, as if the certificate of authority had continued in full force."

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-330, that, within four (4) days after notice of this suspension is provided, LINCOLN GENERAL shall notify, by any available means, every person authorized to write business in the state of Idaho by said insurance company, to immediately cease to write any further business in Idaho.

NOTIFICATION OF RIGHTS

This is a final order of the Idaho Department of Insurance. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED this 19th day of September 2011.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 19th day of September 2011, I caused a true and correct copy of the foregoing order to be served upon the following by the designated means:

Lincoln General Insurance Company
3501 Concord Road
York, PA 17402-0136

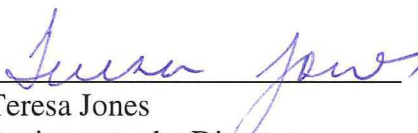
- ☒ first class mail
☒ certified mail
☐ hand delivery
☐ via facsimile

Dave Edwards
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Western Guaranty Fund Services
dedwards@wgfs.org

- ☐ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile
☒ email

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- ☐ first class mail
☐ certified mail
☒ hand delivery
☐ via facsimile



Teresa Jones
Assistant to the Director