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**NOV 10 2009**  
**Department of Insurance**  
**State of Idaho**

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:	)	
	)	Docket No. 18-2567-09
LINCOLN GENERAL	)	
INSURANCE COMPANY,	)	<b>ORDER OF SUSPENSION</b>
	)	<b>OF CERTIFICATE OF</b>
Certificate of Authority No. 2545	)	<b>AUTHORITY</b>
NAIC No. 33855	)	
_____	)	

WHEREAS, it appears that LINCOLN GENERAL INSURANCE COMPANY (LINCOLN GENERAL), a company domiciled in the state of Pennsylvania, licensed for property and casualty insurance in the state of Idaho under Certificate of Authority No. 2545 has reported as of June 30, 2009, its net loss is Forty Four Million Two Hundred Twenty Five Thousand Eight Hundred Sixty-nine Dollars (\$44,225,869), which amount is greater than fifty percent (50%) of the remaining surplus as regards policy holders in excess of the statutory minimum, which amount is Nineteen Million Eight Hundred Fifty Nine Thousand Seven Hundred Seventy-eight dollars (\$19,859,778);

WHEREAS, it appears that LINCOLN GENERAL is in an unsound financial condition pursuant to IDAPA 18.01.66.011.06 and the further transaction of insurance in this state may be

hazardous or injurious and that such a determination constitutes grounds for suspension of its certificate of authority under Idaho Code § 41-327(2)(a); and

WHEREAS, LINCOLN GENERAL has been advised by the Department of this proposed order to suspend the company's certificate of authority, and the company has represented to the Department that it accepts the order and will not object to its entry.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the provisions of Idaho Code § 41-327(2)(a), that Certificate of Authority No. 2545, issued to LINCOLN GENERAL be SUSPENDED effective immediately, and 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", and that pursuant to this section, 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, pursuant to the provisions of Idaho Code § 41-330, that LINCOLN GENERAL, within four (4) days after notice of this suspension is received, notify, by any available means, every person authorized to write business by said insurance company in the state of Idaho, to immediately cease any further writing of such business.

IT IS FURTHER ORDERED, that LINCOLN GENERAL promptly return Certificate of Authority No. 2545 to the Idaho Department of Insurance, as required by Idaho Code § 41-323.

## NOTIFICATION OF RIGHTS

This is a final order of the agency. 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 Section 67-5246(4), Idaho Code.

Pursuant to Sections 67-5270 and 67-5272, Idaho Code, 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 (a) of this final order, (b) of an order denying any petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See Section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED and EFFECTIVE this 16<sup>th</sup> day of November 2009.

  
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WILLIAM W. DEAL, Director  
Idaho Department of Insurance

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have on this 10th day of November 2009, caused a true and correct copy of the foregoing order to be served upon the following by the designated means:

Lincoln General Insurance Company  
Attn: General Counsel  
PO BOX 3709  
YORK, PA 17402-0136

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

PA Department of Insurance  
Joel Ario, Commissioner  
1326 Strawberry Square  
Harrisburg, PA 17120

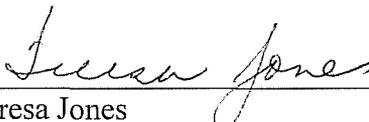
- first class mail
- certified mail
- hand delivery
- via facsimile

Dave Edwards  
Idaho Insurance Guaranty Association  
Western Guaranty Fund Services  
dedwards@wgfs.org

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

Thomas A. Donovan  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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Teresa Jones  
Assistant to the Director