

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Lincoln General Insurance Company :
In Liquidation : No. 1 LIN 2015

**LIQUIDATOR’S APPLICATION
TO ESTABLISH A CLAIMS BAR DATE**

Jessica K. Altman, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Liquidator (“Liquidator”) of Lincoln General Insurance Company (In Liquidation) (“Lincoln”), by her undersigned counsel, respectfully applies to this Court to establish a claims bar date (“Bar Date”). In support of this Application, the Liquidator offers the following:

Background

1. Lincoln was placed in liquidation by Order of this Court on November 5, 2015 (“the Liquidation Order”).
2. The Liquidation Order provided that in addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24¹, the Liquidator should publish notice to provide information about the procedures for filing claims, and to file a report demonstrating the date and manner notice was given within 30 days of giving notice of the Liquidation Order and the claims filing procedures.

¹See The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, *as amended*, Article V added by the Act of December 14, 1977, P.L. 280, 40 P.S. §§ 221.1- 221.63 (“Act”).

3. Pursuant to the Liquidation Order, the Liquidator noticed creditors and potential creditors or claimants of Lincoln, published notice, and filed a report with this Court on December 9, 2015, demonstrating the date and manner notice was given.

4. Section 537(a) of the Act mandates that proof of all claims shall be filed with the liquidator in the form required by Section 538 of the Act on or before the last day for filing specified in the above-referenced notice required under Section 524 of the Act.

5. Pursuant to Section 538 of the Act, a proof of claim shall consist of a statement signed by the claimant that includes all of the following elements that are applicable: (a) the particulars of the claim including the consideration given for it; (b) the identity and amount of the security on the claim; (c) the payments made on the debt, if any; (d) that the sum claimed is justly owing and that there is no setoff, counterclaim or defense to the claim; (e) any right of priority of payment or other specific right asserted by the claimants; (f) a copy of written instrument which is the foundation of the claim; (g) in the case of any third-party claim based on a liability policy issued by the insurer, a conditional release of the insured pursuant to Section 540(a) of the Act; and (h) the name and address of the claimant and the attorney who represents him, if any. Furthermore, the liquidator may require that other information and documents be included in addition to the above-referenced requirements.

6. A proof of claim that meets all of the applicable requirements set forth in Section 538, including any other information required by the liquidator, and is filed by the last day for filing specified in the notice required under Section 524 of the Act, is considered a timely filed absolute claim that is ripe for the issuance of a Notice of Determination (“NOD” or “NODs” for multiple notices of determination) by the liquidator.

7. A proof of claim that meets all of the applicable requirements set forth in Section 538, including any other information required by the liquidator, but is not filed by the last day for filing specified in the notice required under Section 524, is considered a late-filed absolute claim, and is ripe for the issuance of a NOD by the liquidator. For good cause shown, late-filed claims may share in distributions as if the claim was not late, to the extent such payment will not prejudice the orderly administration of the liquidation, in accordance with Section 537(b) of the Act.

8. Regardless of whether the proof of claim is filed before or after the claims filing deadline, Section 538(a) of the Act specifically provides that “[N]o claim need be considered or allowed if it does not contain all the foregoing information which may be applicable”.

9. The liquidator may, however, consider and allow claims that are filed with the liquidator that have not become absolute because of the existence of a contingency which must occur for the claim to become absolute.

10. If a claim is contingent and becomes absolute before the claims filing deadline, including the provision of any other information required by the liquidator, a NOD is issued.

11. If a claim is contingent and becomes absolute after the claims filing deadline and the claimant files its proof of claim setting forth all the requirements of Section 538 as soon as reasonably possible after it became absolute, the liquidator for good cause under Section 537(b) may permit the claimant to share in the distributions as if he were not late, to the extent that any such payment will not prejudice the orderly administration of the liquidation. Whether or not good cause is shown to excuse the late filed contingent claim, the liquidator will issue a NOD when the contingent claim becomes absolute.

12. For purposes of this Application, the Liquidator sets forth the following defined terms. Definitions may include defined terms. Defined terms are capitalized.

POC — A “POC” is a proof of claim form distributed by the Liquidator in connection with the liquidation of Lincoln. Multiple proofs of claim are designated as “POCs”.

CONTINGENT CLAIM — A “Contingent Claim” is a claim involving a demand that is based on a legal cause of action or an instituted legal action that is reported to the Liquidator prior to the Bar Date under a POC that includes one or more of the following features: (a) demands that are not capable of becoming absolute by the Bar Date due to contingent matters that extend beyond the Bar Date; and/or (b) an instituted legal action where the liability has not been determined or the amount thereof liquidated by the Bar Date, and thus these claims are not absolute as required by Section 538.

ABSOLUTE — “Absolute” means that claimants have provided to the Liquidator sufficient information and documentation describing the facts of the claim, including but not limited to: (a) a detailed statement describing the claim; (b) a detailed statement describing the dollar value of the claim; (c) documents evidencing damage; and (d) all other information or documents helpful to proving the claim, including any other information required by the Liquidator, all as required by Section 538 of the Act and the instructions on the POC form. When the POC is absolute, a NOD is issued.

Status of the Claims in the Lincoln Estate

13. Between November 5, 2015 and February 28, 2018, the Liquidator has received 431 completed POCs. The following graph details when those POCs have been received, and demonstrates that the volume of POCs received has greatly diminished over the last 20 months since the claims filing deadline of July 6, 2016.

POCs Received by	Filing Deadline									
	12/31/2015	3/31/2016	7/5/2016	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/30/2017	2/28/2018
	75	108	180	31	12	8	5	5	6	1
TOTAL	75	183	363	394	406	414	419	424	430	431

14. The Liquidator has issued NODs for 263 of the 431 POCs that have been received. 251 of the NODs have been accepted. Of the other 12 NODs that have been issued, 3 are pending

with the claimant and 9 objections are being addressed². Of the other 168 remaining POCs that have not yet been issued a NOD, all are Contingent Claims.

Claims Arising From Customs Bonds

15. Lincoln was a domestic stock property and casualty company. In addition to offering some of the standard property and casualty insurance products (e.g., general liability, auto, workers compensation), Lincoln offered a rather unusual surety bond product known as customs bonds.

16. A customs bond is a three-party instrument between a surety (in this case Lincoln), a principal, which in this context is usually an importer, and U.S. Customs & Border Protection (“CBP”) as the obligee. Lincoln wrote all its customs bonds using an affiliated managing general agency, Avalon Risk Management, Inc. (n/k/a the Kingsway America, Inc.).

17. The customs bonds written by Lincoln predominately covered bills from the U.S. government to a specific importer for increased duties, loss of revenue, or for anti-dumping duties. As the surety, Lincoln is responsible to CBP for any bill the importer does not pay.

18. Customs bond claims are governed by the CBP governing statute and are long tail in nature because any potential liability may not, if at all, develop into a claim until many years into the future. Moreover, the timing of any customs bond claim is not predictable, and they may not become absolute for years.

19. In addition to the customs bonds, Lincoln General wrote other types of surety bonds such as mine reclamation bonds and land development bonds. These claims are also long tail in nature. These bonds cannot be terminated and remain in force for numerous years and the risk associated with these bonds continues until the bond is fully exonerated or exhausted.

²The 9 objections are from only 3 claimants, as seven of the 9 objections are from one claimant, who received 7 NODs and objected to each one.

Accordingly, any potential liability may not, if at all, develop into a claim until many years into the future.

20. Lastly, Lincoln wrote a large volume of general liability policies insuring contractors in California. Again, these claims also have potential long tail exposure due to the nature of construction defect claims. Accordingly, any potential liability may not, if at all, develop into a claim until many years into the future.

21. From January 1, 2017 through February 28, 2018, the Liquidator received only 25 claims, and all of them were long tail in nature.

22. Pennsylvania courts have held in both the rehabilitation and liquidation contexts that claims by obligees under surety arrangements are entitled to a different, and lower priority level than insureds under traditional insurance policies. Accordingly, the claims arising under surety bonds are general creditor claims under Section 544 of the Act and applicable case law. See, e.g., *Grode v. Mut. Fire, Marine and Inland Ins. Co.*, 572 A.2d 798, 806-07 (Pa. Commw. Ct. 1990); *Foster v. Mutual Fire, Marine and Inland Ins. Co.*, 531 Pa. 598, 623, 614 A.2d. 1086, 1099 (Pa. 1992). Alternatively, because the claims arising from the customs bonds are by the CBP, as obligee, those claims could be classified as claims of the federal government under Section 544 of the Act. In either event, the customs bond claims would be prioritized below the claims of Lincoln's policyholders, such that if the estate were to be kept open awaiting resolution of the customs bond claims, the estate's asset base would be eroded by the ongoing costs of administration to the detriment of the estate's policyholders.

23. Finally, and importantly, prior to liquidation, Lincoln was engaged in a run-off plan for over 6 years that substantially wound down its liabilities because of policies lapsing and liabilities being settled, thus limiting the potential pool of claimants in the liquidation.

24. In summary, because of the type of business Lincoln wrote, the lengthy period of run-off preceding liquidation, the nature of the company's liabilities at the date of liquidation, and the significant decrease in the number of claims that have been filed in recent months, as seen in paragraph 13, it is reasonable to conclude that the vast majority of the Lincoln estate's claims have already been filed. Accordingly, it is reasonable to expect that the number of claims that may be filed prospectively will be very limited.

Reasons for Seeking a Bar Date

25. Although the Lincoln estate has only been open for approximately 28 months, the Liquidator has determined that it is time to seek the Court's approval of a final date after which no POCs will be permitted (i.e., the Bar Date). Some of the reasons for the Liquidator's determination are unique to Lincoln, as detailed in paragraphs 15 through 24 above. There are additional reasons as well, which include the following.

26. Notwithstanding the conclusion and expectation mentioned in paragraph 24, unless a Bar Date is established, the Liquidator cannot know, with absolute certainty, at what point in time all POCs have been filed, since conceivably, they could be submitted for several years to come. This could result in the Lincoln liquidation remaining open indefinitely until all new claims are determined and all litigation is resolved. Moreover, the Liquidator would be unable to calculate the amount of any final pro-rata distribution until the value of all claims was determined.

27. If untimely filed claims, including contingent claims, were to be considered and allowed after the Bar Date, it would adversely impact the distribution percentage to be received by claimants who have legitimate, timely filed claims that will receive a distribution from the Lincoln estate. Furthermore, the longer the estate remains open, the more administrative

expenses are incurred, which further decreases the distribution percentage to be received by those claimants waiting for a distribution from the estate.

28. The only potential claimants who would not file an absolute proof of claim by the Bar Date, or who will be unable to submit documents supporting their claims by the Bar Date, will be potential claimants who cannot meet the requirements in Section 538 of the Act for filing an absolute claim. It is inequitable to delay for a significant period the distribution to the vast majority of creditors for the benefit of a small number of potential future creditors, who may or may not have claims develop after the Bar Date.

29. For these reasons, the order establishing a Bar Date (“the Bar Date Order”) should, with respect to claims to which the Bar Date applies, preclude the filing of claims after the Bar Date for any reason, including, without limitation, a reason constituting “good cause” under Section 537 of the Act, including but not limited to contingent POCs.

30. If a POC filed before the Bar Date asserts a claim that does not involve a demand that is based on a legal cause of action or a claim that does not involve an instituted legal action and the claimant cannot provide the Liquidator with the requirements of Section 538 of the Act prior to the Bar Date, the Bar Date Order should disallow that POC.

31. The Bar Date should apply to all claims arising out of actions or omissions (including representations concerning reinsurance and insurance contracts) of Lincoln, its officers, employees, agents and representatives prior to liquidation or arising out of contracts (other than reinsurance and insurance contracts) entered into by Lincoln prior to liquidation. It should further apply to all claims arising out of post-liquidation actions or omissions (including representations concerning reinsurance and insurance contracts) of Lincoln, the Liquidator or their officers, employees, agents and representatives (including, but not limited to, attorneys, auditors, actuaries,

accountants, consultants and other professionals, whether employees or independent contractors), or arising out of post-liquidation contracts entered into by Lincoln or the Liquidator, as long as those actions, omissions or breaches of contract occurred prior to the Bar Date. If a claim first arises within the thirty (30) days prior to the Bar Date, the filing of a POC should be allowed after the Bar Date but only within thirty (30) days of when the claim arose.

32. The Bar Date should not apply to routine administrative expense claims. However, the claims to which the Bar Date would apply include claims allegedly arising out of or based in any way on the conduct of the liquidation proceedings, and the effects of the Liquidation Order, even if such claims could possibly be characterized as administrative expense claims or policyholder claims.

33. The Bar Date would not apply to, or affect in any way, claims, actions or rights of Lincoln or the Liquidator.

34. The Bar Date Order should provide that neither the establishment of a Bar Date nor the recognition of certain exceptions to the preclusive effect of the Bar Date constitutes the waiver of any defenses to individual POCs, including any defenses otherwise based on the untimeliness of the claims.

35. The entry of the Bar Date Order should not be viewed as an occasion for a claimant to refile or reargue a claim that has previously been submitted. Accordingly, the Bar Date Order should provide that the filing of duplicate POCs is neither required nor permitted and that the Liquidator shall disallow duplicative claims without further consideration of their merits.

36. The Liquidator requests that the Court establish the Bar Date at the earliest possible time and that the Bar Date be no more than forty-five (45) days after the Order setting that date.

37. The Liquidator seeks this Court's approval of a POC form that can be provided to Lincoln's claimants upon request after receipt of any Notice this Court approves regarding the establishment of a claims bar date for Lincoln. The proposed POC form is attached hereto as Exhibit C.

38. Notwithstanding any approval this Court may grant of the proposed POC form attached hereto as Exhibit C, the Liquidator will continue to review claims received by the Liquidator filed on the original POC form for the Lincoln estate up to any date this Court may establish as a claims bar date for Lincoln.


39. Accordingly, the Liquidator requests that the Court enter the proposed Order attached hereto, which in addition to establishing the Bar Date, also approves the form, scope and mailing of the Notice of the Bar Date Order attached to this Application as Exhibit "A", the form of Publication Notice of the Bar Date Order attached to this Application as Exhibit "B", and the POC form attached hereto as exhibit "C".

40. In support of her request for a Bar Date Order, the Liquidator would note that this Court has approved nine prior requests for a Bar Date Order in other liquidation proceedings, specifically the PHICO Insurance Company liquidation, the Rockwood Insurance Company liquidation, the Westmoreland Insurance Company liquidation, the First Sealord Surety, Inc., liquidation, the Legion Insurance Company liquidation, the Villanova Insurance Company liquidation, the Commonwealth Insurance Company liquidation, the Reliance Insurance Company liquidation, and the Excalibur Reinsurance Corporation liquidation.

WHEREFORE, the Liquidator respectfully requests the entry of the proposed Order in the form attached hereto establishing a Bar Date, approving the form, scope and mailing of the Notice of the Bar Date Order attached to this Application as Exhibit "A", the form of Publication

Notice that is attached to this Application as Exhibit "B", and the POC form attached to this Application as Exhibit "C".

Respectfully submitted:

By: 
Preston M. Buckman (I.D. No. 57570)
PA Office of General Counsel
Pennsylvania Insurance Department
Office of Liquidations, Rehabilitations
and Special Funds
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

Attorney for Applicant, Jessica K. Altman,
Acting Insurance Commissioner of the
Commonwealth of Pennsylvania, in her
Official Capacity as Statutory Liquidator of
Lincoln General Insurance Company (In
Liquidation)

Dated: _____

3/14/18

EXHIBIT A

EXHIBIT A

**NOTICE OF THE CLAIMS BAR DATE
FOR LINCOLN GENERAL INSURANCE COMPANY (IN LIQUIDATION)**

On _____, 201__, the Commonwealth Court of Pennsylvania entered an Order establishing a claims bar date in connection with the liquidation of Lincoln General Insurance Company (In Liquidation).

The Court's Order provides in pertinent part as follows:

<u>ORDER</u>

1. The date forty-five (45) days after the date of this Order is hereby established as a claims bar date ("Bar Date").
2. Any and all claims against Lincoln, against the Liquidator, her agents and representatives, or in any way affecting or seeking to affect any assets of Lincoln, wherever or however such assets may be owned or held, directly or indirectly, must be filed with the Liquidator no later than the Bar Date.
3. The Proof of Claim form attached as Exhibit C to the Bar Date Application is approved. Claimants requiring a Proof of Claim form should contact the Liquidator as indicated below. Notwithstanding the approval of the Proof of Claim form attached to the Bar Date Application as Exhibit C, a Proof of Claim received on the original Proof of Claim form for the Lincoln estate shall be reviewed by the Liquidator and will be subject to the terms of this Order.
4. A Proof of Claim shall be deemed filed on the day it is received by the Liquidator, unless first class mail is utilized, in which case it will be deemed filed on the date of the postmark.

5. Any Proof of Claim filed after the Bar Date is untimely and shall be disallowed by the Liquidator without consideration of its merits. This Order bars the filing of any such Proof of Claim after the Bar Date for any reason, including, without limitation, a reason constituting “good cause” under the late claims provisions of Article V of the Insurance Department Act of 1921, the discovery of information not previously known, and the fact that a claim was previously unmatured or contingent. If a Proof of Claim filed before the Bar Date asserts a claim that does not involve a demand that is based on a legal cause of action or a claim that does not involve an instituted legal action and the claimant cannot provide the Liquidator with the requirements of Section 538 of the Act prior to the Bar Date, that claim is barred by this Order. Notwithstanding the foregoing, if a claim first arises within the thirty (30) days prior to the Bar Date, the filing of a Proof of Claim is allowed after the Bar Date but only within thirty (30) days of when the claim arose.
6. The establishment of the Bar Date does not constitute the waiver of any defenses to individual Proofs of Claim. Any and all defenses to such claims remain available to Lincoln and the Liquidator, including defenses otherwise based on the untimeliness of the claims.
7. The Bar Date does not apply to, or affect in any way, claims, actions or rights of Lincoln or the Liquidator.
8. The establishment of the Bar Date is not an opportunity to refile or reargue a claim previously filed with Lincoln, and duplicative Proofs of Claim shall not be submitted. If duplicative Proofs of Claim are filed contrary to this Order, the Liquidator shall disallow them without further consideration of their merits.

9. The Bar Date shall not apply to routine administrative expense claims.
10. The mailing Notice is hereby approved. The Liquidator shall mail by first class mail, as soon as practicable after receipt of this Order, a copy of the mailing Notice to all creditors and potential creditors or claimants of Lincoln as of the date of the Liquidation Order (November 5, 2015).
11. The publication Notice attached to the Bar Date Application as Exhibit B is hereby approved. The Liquidator shall cause a copy of the publication Notice to be published once in a newspaper of general circulation where Lincoln has its principal place of business, and once in a national publication, such as USA Today, within thirty (30) days of the date of this Order.

Proof of Claim forms may be obtained by sending a request in writing to:

Proof of Claim Department
Statutory Liquidator of Lincoln General Insurance Company
PA Insurance Department
901 North 7th Street
Harrisburg, PA 17102

Or call:

717-787-7823

Or email:

ra-in-claims@pa.gov

Please request a separate claim form for each claim that you wish to file.

**YOUR COMPLETED PROOF OF CLAIM MUST BE FILED BY _____
2018, OR IT WILL BE FOREVER BARRED UNLESS YOUR CLAIM COMES WITHIN
AN EXCEPTION PROVIDED FOR IN THE COURT'S ORDER.**

EXHIBIT B

EXHIBIT B

**PUBLICATION NOTICE OF THE CLAIMS BAR DATE
FOR LINCOLN GENERAL INSURANCE COMPANY (IN LIQUIDATION)**

NOTICE
TO THE POLICYHOLDERS, CLAIMANTS, CREDITORS AND
ALL OTHER PERSONS INTERESTED IN THE
AFFAIRS OF
LINCOLN GENERAL INSURANCE COMPANY (IN LIQUIDATION)

NOTICE IS HERBY GIVEN THAT:

Lincoln General Insurance Company (In Liquidation) (“Lincoln”) was placed into Liquidation by Order of the Commonwealth Court of Pennsylvania, effective November 5, 2015 (the “Liquidation Order”). The Liquidation Order appointed the Insurance Commissioner of the Commonwealth of Pennsylvania as Statutory Liquidator of Lincoln and vested her with title to all the property, assets, contracts and rights of action of Lincoln.

On March 14, 2018, the Liquidator filed in the Commonwealth Court of Pennsylvania an Application to Establish a Claims Bar Date for Lincoln. On _____, 201____, the Commonwealth Court entered an Order granting the Application and setting a Claims Bar Date of _____, 201__.

Therefore, all persons who may have a claim against Lincoln, against the Liquidator, her agents or representatives, or in any way affecting or seeking to affect any of the assets of Lincoln, wherever or however such assets may be owned or held, directly or indirectly, must file a Proof of Claim by the Claims Bar Date of _____, 201____, or the claim will be forever barred.

You may obtain a free copy of the Proof of Claim form by writing to Proof of Claim Department, Statutory Liquidator of Lincoln General Insurance Company, Pennsylvania Insurance Department, 901 North 7th Street, Harrisburg, PA 17102, or calling the Liquidator at 717-787-7823 or send an email to: ra-in-claims@pa.gov

EXHIBIT C



PROOF OF CLAIM
 IN THE MATTER OF
LINCOLN GENERAL INSURANCE COMPANY (IN LIQUIDATION) (LGIC)
Deadline for filing:

DO NOT FILE A PROOF OF CLAIM IF YOU HAVE ALREADY FILED A PROOF OF CLAIM OR YOUR CLAIM HAS NOT RIPENED INTO A LEGAL CAUSE OF ACTION PRIOR TO

Claimant Name: _____ Address 1: _____ Address 2: _____ City: _____ State: _____ Zip Code: _____ Country: _____ Social Security /E.I.N. #: _____ e-mail: _____ Daytime Phone #: (include area code) _____	FOR OFFICIAL USE ONLY PROOF OF CLAIM NO. _____ DATE RECEIVED: _____
--	--

Name of Insured/Bonded Principal _____ Policy Number/Bond Number: _____ Date of Loss: _____	Claim Number: _____ Agent Number: _____
---	--

Claim is for (check X or specify below)

1	POLICYHOLDER or THIRD PARTY CLAIM	Claim by insured of LGIC under a LGIC policy for POLICY BENEFITS or liability claim against an insuree of LGIC for POLICY BENEFITS or claim against a LGIC bond.
2	RETURN of UNEARNED PREMIUM or OTHER PREMIUM REFUNDS	Portion of paid premium not earned due to early cancellation of policy or retro or audit adjustment.
3	GENERAL CREDITOR	Such as Attorney fees, Adjuster fees, Vendors, Lessors, Consultants, Cedents and Reinsurers.
4	AGENTS' BALANCES	Agents' Earned Commissions.
5	ALL OTHER	Describe _____

In the space below give a Concise Statement of the Facts giving rise to your claim. Attach additional sheets if required. _____

AMOUNT OF CLAIM: \$ _____
 Is there OTHER INSURANCE that may cover this claim? Yes () No ()
 If YES provide name of insurer(s) and policy number(s): _____

Does an ATTORNEY REPRESENT you? Yes () No () If YES provide attorney's name, address & telephone number: _____

Has a Lawsuit or other LEGAL ACTION been instituted by anyone regarding this claim? Yes () No () If YES provide the following:
 Court Where Filed: _____
 DATE FILED & DOCKET NUMBER: _____
 PLAINTIFF(S): _____
 DEFENDANT(S): _____

I verify that the statements made in this proof of claim 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 19 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

FOR ALL CLAIMS EXCEPT BOND CLAIMS: If the foregoing Proof of Claim alleges a claim against a LGIC insured (third party claim), the undersigned hereby releases any and all claims which have been or could be made against such LGIC insured based on or arising out of the facts supporting the above Proof of Claim up to the amount of the applicable policy limits and subject to coverage being accepted by the Liquidator, regardless of whether any compensation is actually paid to the undersigned.

 Claimant Signature

 Date

DO NOT FILE A PROOF OF CLAIM IF YOU HAVE ALREADY FILED A PROOF OF CLAIM OR YOUR CLAIM HAS NOT RIPENED INTO A LEGAL CAUSE OF ACTION PRIOR TO

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM FORM

This proof of claim form must be completed and returned. **Failure to return the completed form will result in the denial of your claim.** Please fill in all of the applicable blanks. Attach additional sheets as required. In the event you do not know certain information, please write "unknown". You may supplement your claim later when you have more information, provided you do so promptly after you obtain the information. Please print legibly in ink or type. The form may be duplicated. You are advised to keep a completed copy for your records. The following is some specific additional instruction for certain types of claims. For more information on these types of claims, please refer to the enclosed booklet.

1. If your claim is regarding an **LGIC POLICY**, please complete as much of this form as possible and submit along with any supporting documentation. If additional documentation is required, you will be contacted.
2. If your claim is that of a **GENERAL CREDITOR**, please complete Section II, sign where indicated and attach supporting documentation such as all outstanding invoices.
3. If your claim is for the **AGENT BALANCES**, please complete Section II, sign where indicated and attach a complete accounting by policy/contract supporting your claim.
4. If you have **ANY OTHER** type of claim, describe your claim, i.e. stockholder, employee, taxes, license fees, assessments, etc. Please attach documentation supporting your claim.

The right (but not the obligation) to request additional supporting information is retained by the Liquidator. The failure to promptly provide such additional information may result in the denial of your claim.

The proof of claim form must be signed by the claimant, and must contain the claimant's current address and zip code. No claim can be considered for payment without a social security number or tax identification number. Where applicable, the name and address as well as the telephone number of the claimant's attorney, if any, must be shown. **YOU MUST FILE A SEPARATE PROOF OF CLAIM FORM FOR EACH CLAIM YOU MAKE.** IF YOU HAVE MORE THAN ONE CLAIM, YOU MAY MAKE COPIES OF THE ENCLOSED FORM, or go to Insurance Department's website <http://www.insurance.pa.gov/Regulations/LiquidationRehab/Pages/Lincoln-General.aspx> , or call (717) 787-7823 for additional proof of claim forms. The following address should be used only to submit proof of claim forms and supporting documentation: Statutory Liquidator for LGIC, Capitol Associates Building, 901 N. 7th Street, Harrisburg, PA 17102 Phone: (717) 787-7823

NOTE: This form must be postmarked no later than _____ at 5:00 p.m. EST.

CHANGE OF ADDRESS

You are required by Article V of the Insurance Department Act to notify the Statutory Liquidator of your change of address. If you fail to do so you may jeopardize your chance of recovery from this estate.

INFORMATION REGARDING CLAIMS AGAINST THE ESTATE OF LINCOLN GENERAL INSURANCE COMPANY (LGIC)

After all claims against this company are evaluated by the Statutory Liquidator and approved by the Court, approved claims will be paid by priority level based on available funds in accordance with 40 P.S. Section 221.1 et seq. The amount of the payment will depend on the assets available. The amount to be paid on an individual claim, if any, will not be known until all claims are evaluated. In any event, payment will not be made for several years. The Statutory Liquidator's receipt of this proof of claim form does not constitute any waiver or relinquishment by the Statutory Liquidator of any defense, setoff, or counterclaim that may exist against any person, entity or governmental agency, regarding any action pursued by the Statutory Liquidator of LGIC on behalf of LGIC claimants, and creditors.

CERTIFICATE OF SERVICE

I, Preston M. Buckman, hereby certify that I am this day serving the foregoing document upon the persons indicated below and in the manner indicated below in accordance with Pa. R.A.P. Nos. 121 and 3780:

Service via First Class U.S. Mail or email addressed as follows:

Jordan L. Miller, Esquire
jordanm@jdsalaw.com
Jeffers, Danielson, Sonn & Aylward, P.S.
2600 Chester Kimm Rd.
Wenatchee, WA 98801
(509) 662-3685
(509) 662-2452 (fax)

Arleigh P. Helfer III, Esquire
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Schnader Harrison Segal & Lewis LLP
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Philadelphia, PA 19103

Anthony J. Urban, Esquire
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Executive Director Janis B. Funk
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Executive Director John Wells
jwells@laiga.org
Louisiana Insurance Guaranty Association
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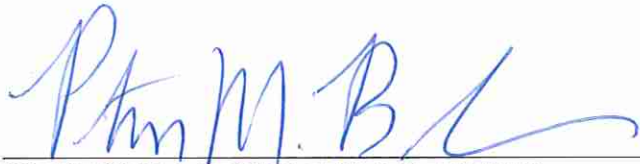
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Counsel for the Statutory Liquidator of Lincoln
General Insurance Company

DATED: _____

3/14/18

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Lincoln General Insurance Company :
In Liquidation : No. 1 LIN 2015

ORDER

AND NOW, this ____ day of _____, 2018, upon consideration of the Application to Establish a Claims Bar Date (“Bar Date Application”) filed by Jessica K. Altman, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Liquidator (“Liquidator”) of Lincoln General Insurance Company (“Lincoln”), the Bar Date Application is GRANTED and it is hereby ORDERED as follows:

1. The date forty-five (45) days after the date of this Order is hereby established as a claims bar date (“Bar Date”).

2. Any and all claims against Lincoln, against the Liquidator, her agents and representatives, or in any way affecting or seeking to affect any assets of Lincoln, wherever or however such assets may be owned or held, directly or indirectly, must be filed with the Liquidator no later than the Bar Date.

3. The Proof of Claim form attached as Exhibit C to the Bar Date Application is approved. Claimants requiring a Proof of Claim form should contact the Liquidator as indicated at the end of the Notice of the Bar Date Order, which is Exhibit A of the Bar Date Application. Notwithstanding the approval of the Proof of Claim form attached to the Bar Date Application as Exhibit C, a Proof of Claim received on the original Proof of Claim form for the Lincoln estate shall be reviewed by the Liquidator and will be subject to the terms of this Order.

4. A Proof of Claim shall be deemed filed on the day it is received by the Liquidator, unless first class mail is utilized, in which case it will be deemed filed on the date of the postmark.

5. Any Proof of Claim filed after the Bar Date is untimely and shall be disallowed by the Liquidator without consideration of its merits. This Order bars the filing of any such Proof of Claim after the Bar Date for any reason, including, without limitation, a reason constituting “good cause” under the late claims provisions of Article V of the Insurance Department Act of 1921, the discovery of information not previously known, and the fact that a claim was previously unmatured or contingent. If a Proof of Claim filed before the Bar Date asserts a claim that does not involve a demand that is based on a legal cause of action or a claim that does not involve an instituted legal action and the claimant cannot provide the Liquidator with the requirements of Section 538 of the Insurance Department Act prior to the Bar Date, that claim is barred by this Order. Notwithstanding the foregoing, if a claim first arises within the thirty (30) days prior to the Bar Date, the filing of a Proof of Claim should be allowed after the Bar Date but only within thirty (30) days of when the claim arose.

6. The establishment of the Bar Date does not constitute the waiver of any defenses to individual Proofs of Claim. Any and all defenses to such claims remain available to Lincoln and the Liquidator, including defenses otherwise based on the untimeliness of the claims.

7. The Bar Date does not apply to, or affect in any way, claims, actions or rights of Lincoln or the Liquidator.

8. The establishment of the Bar Date is not an opportunity to refile or reargue a claim previously filed with Lincoln, and duplicative Proofs of Claim shall not be submitted. If duplicative Proofs of Claim are filed contrary to this Order, the Liquidator shall disallow them without further consideration of their merits.

9. The Bar Date shall not apply to routine administrative expense claims.

10. The mailing Notice attached as Exhibit A to the Bar Date Application is hereby approved. The Liquidator shall mail by first class mail, as soon as practicable after receipt of this Order, a copy of the mailing Notice to the creditors and potential creditors or claimants of Lincoln as of the date of the Liquidation Order (November 5, 2015).

11. The publication Notice attached to the Bar Date Application as Exhibit B is hereby approved. The Liquidator shall cause a copy of the publication Notice to be published once in a newspaper of general circulation where Lincoln has its principal place of business and once in a national publication, such as USA Today, within thirty (30) days of the date of this Order.

RENEE COHN JUBELIRER, Judge



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

March 14, 2018

Michael F. Krimmel, Chief Clerk
Commonwealth Court of Pennsylvania
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17120-9185

Re: *Lincoln General Insurance Company (In Liquidation)*
No. 1 LIN 2015

Dear Mr. Krimmel:

Attached please find the Liquidator's Application to Establish a Claims Bar Date, with regard to the above-referenced liquidation.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Preston M. Buckman".

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosure