



GOVERNOR'S OFFICE OF GENERAL COUNSEL

November 4, 2015

Via Hand Delivery

Michael F. Krimmel, Chief Clerk
Commonwealth Court of Pennsylvania
Pennsylvania Judicial Center
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17106-9185

RECEIVED & FILED
COMMONWEALTH COURT
OF PENNSYLVANIA
-4 NOV 2015 09 18

RE: Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania
v. Lincoln General Insurance Company

Dear Mr. Krimmel:

Enclosed please find an original and three (3) copies of the following documents to be filed on behalf of the Plaintiff, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania.

- 1) Petition for Review in the Nature of a Complaint for Order of Liquidation.
- 2) Application for Relief Requesting Entry of a Judicial Declaration.

Please feel free to contact me if you have any questions or require additional information.

Very truly yours,

Amy G. Daubert
Deputy Chief Counsel

Enclosure

cc: Albert B. Miller, Esq.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Teresa D. Miller,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

v.

Lincoln General Insurance Company
3502 Concord Road
York, PA 17402

Defendant.

Docket No. 1 LIN 2015

RECEIVED & FILED
COMMONWEALTH COURT
OF PENNSYLVANIA
-4 NOV 2015 09 21

**PETITION FOR REVIEW IN THE NATURE OF A COMPLAINT
FOR ORDER OF LIQUIDATION**

INTRODUCTION

1. By this action, Plaintiff, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, seeks the entry of an Order of Liquidation of Lincoln General Insurance Company (hereinafter "Lincoln General") and its business and affairs pursuant to Article V of the Insurance Department Act of 1921, Act of May 19, 1921, P.L. 789, as amended, 40 P.S. §§ 221.1-221.63 (the "Act"), on the grounds of consent to liquidation.

JURISDICTION

2. Jurisdiction over this case is founded upon 42 Pa. C.S. § 761(a) and section 504(d) of the Insurance Department Act of 1921, supra, 40 P.S. § 221.4(d).

PARTIES

3. Plaintiff is Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, acting in her official capacity ("Commissioner"). Plaintiff has her principal office at 1326 Strawberry Square, Harrisburg State Office Building No. 1, Harrisburg, Pennsylvania 17120.

4. Plaintiff is charged with the execution of the laws of the Commonwealth of Pennsylvania in relation to insurance for the protection of policyholders, creditors, and the public generally.

5. Defendant, Lincoln General, 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 3501 Concord Road, York PA 17402.

6. Lincoln General is part of an insurance holding company system.

7. Walshire Assurance Company, an insurance holding company organized under the laws of Pennsylvania, directly owns 100% of the issued and outstanding capital stock of Lincoln.

8. One-hundred percent of the issued and outstanding stock of Walshire Assurance Company is owned by LGIC Holdings, LLC, a Delaware limited liability company.

9. Tawa Associates Limited (TAL) owns 51% of LGIC Holdings, LLC and Kingsway Financial Services Inc. owns 49%.

10. TAL is owned by Financiere Pinault S.C.A (FinP), a privately held holding company organized under the laws of France, making FinP the ultimate controlling person of Lincoln General.

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

12. Lincoln General is, and at all material times has been, engaged in the lines of insurance described in Paragraph 11, supra.

13. Lincoln General is, and at all material times has been, subject to examination by and to the jurisdiction of the Commissioner.

GROUNDS FOR LIQUIDATION

CONSENT

14. Under 40 P.S. §§ 221.14, 221.19 and 221.20(b), an order of liquidation may be entered upon written consent of the insurer if:

The board of directors or the holders of a majority of the shares entitled to vote, or a majority of those individuals entitled to the control of those entities specified in section 502 [40 P.S. § 221.2 (relating to Persons covered)] requested or consent to rehabilitation under this article.

40 P.S. § 221.14(12) (order of rehabilitation may be issued based upon consent); 40 P.S. § 221.19 (order of liquidation may be issued on the same grounds as order of rehabilitation); 40 P.S. § 221.20(b) (liquidation orders issued pursuant to written consent of the insurer).

15. On September 10, 2015, Marvin David Mohn, CEO of Lincoln General, executed a Consent to Entry of Order of Liquidation waiving Lincoln General's right to a hearing under 40 P.S. § 221.20(b). A true and correct copy of the Consent to Entry of Order of Liquidation is attached to this Petition as Exhibit (a) and incorporated herein by reference.

16. On September 4, 2015, the Board of Directors of Lincoln General unanimously consented to the entry of an Order of Liquidation. A true and correct copy of the Resolution of

the Board of Directors is attached to Exhibit (a) as Exhibit (I) and incorporated herein by reference.

17. On September 4, 2015, Walshire Assurance Company, the sole shareholder of Lincoln General, consented to entry of an Order of Liquidation. A true and correct copy of the the Resolution of Shareholders is attached to Exhibit (a) as Exhibit II and is incorporated herein by reference.

18. On September 4, 2015, the Board of Directors of Walshire Assurance Company authorized any officer or director to attend the shareholder's meeting of Lincoln General and to vote in favor of voluntary liquidation. A true and correct copy of the Resolution of the Board of Directors of Walshire Assurance Company is attached to Exhibit (a) as Exhibit (III) and is incorporated herein by reference.

19. On September 9, 2015, Albert B. Miller, Secretary of Lincoln General, certified that the resolutions of the board of directors of Lincoln General and the resolution of the shareholder of Lincoln General were true and correct copies. Attached hereto as Exhibit (b) is the Lincoln General Secretary's Certificate.

20. On September 9, 2015, Albert B. Miller, Secretary of Walshire Assurance Company, certified that the Resolutions of the board of directors was a true and correct copy. Attached hereto as Exhibit (c) is the Walshire Assurance Company Secretary's Certificate.

21. The consents of the Board of Directors of Lincoln General and of its sole shareholder, Walshire Assurance Company, provide independent and sufficient grounds for entry of an Order of Liquidation.

RELIEF

WHEREFORE, Plaintiff, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, respectfully requests that this Honorable Court enter the attached Order of Liquidation.

Respectfully submitted,



AMY GRIFFITH DAUBERT (I.D. #62064)
Deputy Chief Counsel
JODI A. FRANTZ (I.D. #84727)
Department Counsel
Pennsylvania Insurance Department
1341 Strawberry Square
Harrisburg, PA 17120
(717) 787-2567

Counsel for Teresa D. Miller
Insurance Commissioner of the
Commonwealth of Pennsylvania

DATED: November 4, 2015

EXHIBIT (a)

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Teresa D. Miller, :
Insurance Commissioner of the :
Commonwealth of Pennsylvania, :
 :
Plaintiff, :
 :
v. :
 :
Lincoln General Insurance Company :
3502 Concord Road :
York, PA 17402 :
 :
Defendant. :

Docket No. _____

CONSENT TO ENTRY OF ORDER OF LIQUIDATION

1. Lincoln General Insurance Company (“Lincoln General”), hereby agrees and consents to the terms of the attached Order of Liquidation (Exhibit I), to be entered by the Commonwealth Court in accordance with the Insurance Department Act of 1921, P.L. 789, as amended, 40 P.S. §§ 221.1—221.63.

2. Consent is given pursuant to resolutions adopted at the September 4, 2015 meeting of the board of directors of Lincoln General (Exhibit I) and at the special meeting of shareholders of Lincoln General held on September 4, 2015 (Exhibit II). In addition, the board of directors of the sole shareholder, Walshire Assurance Company, an insurance holding company organized under the laws of Pennsylvania, which directly owns 100% of the issued and outstanding capital stock of Lincoln General, authorized the vote at the shareholder’s meeting approving the shareholder’s resolutions (Exhibit III).

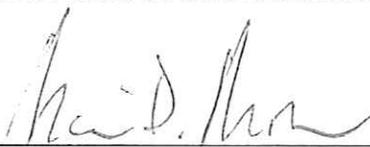
3. Lincoln General consents to the entry of the Order of Liquidation on the terms contained in that Order, which are incorporated herein by reference.

4. Lincoln General agrees that the undersigned has the authority to consent to entry of the Order of Liquidation and to waive Lincoln General's rights to any hearing before the Insurance Commissioner or the Commonwealth Court with respect to the entry of such Order, as provided for in Section 520 of the Insurance Department Act of 1921, 40 P.S. § 221.20, or any other sections or acts.

5. Lincoln General hereby waives its rights to service of the Petition for Review in the Nature of a Complaint for Liquidation and to any hearing before the Insurance Commissioner or the Commonwealth Court with respect to the Order of Liquidation as provided for in Section 520 of the Insurance Department Act of 1921, 40 P.S. § 221.20, or any other sections or acts.

6. Lincoln General agrees that this consent is voluntary and is made with advice of counsel and with full knowledge and understanding of the consequences of the entry of the Order of Liquidation.

LINCOLN GENERAL INSURANCE COMPANY

By: 

Marvin David Mohn
CEO

DATED: 10 SEPTEMBER 2015

EXHIBIT I

RESOLUTIONS OF THE BOARD OF DIRECTORS OF
LINCOLN GENERAL INSURANCE COMPANY

Adopted at a meeting of the Board of Directors held on September 4, 2015

WHEREAS, Lincoln General Insurance Company ("Lincoln General") is a Pennsylvania domiciled property and casualty stock insurance company; and

WHEREAS, Deputy Insurance Commissioner Stephen J. Johnson, of the Pennsylvania Insurance Department, has requested that Lincoln General consent to its voluntary liquidation under Article V of the Insurance Department Act of 1921; as amended (40 P.S. §§221.1-221.63); and

WHEREAS, Lincoln General, and its sole shareholder, Walshire Assurance Company, have concluded that it is in the best interests of Lincoln General to provide the consent sought by the Pennsylvania Insurance Department to its voluntary liquidation under Article V of the Insurance Department Act of 1921;

NOW THEREFORE BE IT RESOLVED that, upon the request of the Pennsylvania Insurance Department, the advice of counsel, and the approval of Walshire Assurance Company, the sole shareholder of Lincoln General Insurance Company, Lincoln General hereby consents to the Pennsylvania Insurance Department's request for its voluntary liquidation:

BE IT FURTHER RESOLVED, that the Chief Executive Officer and such other officers as may be necessary are authorized and directed to execute and deliver such other and further documents, and to take such other action, as may be necessary or desirable in order to carry out these resolutions.

EXHIBIT II

LINCOLN GENERAL INSURANCE COMPANY
(the "Company")
a Pennsylvania Corporation

VOLUNTARY LIQUIDATION OF LINCOLN GENERAL INSURANCE COMPANY
Under 40 P.S. §§221.1-221.63
(Article V of the Insurance Department Act of 1921)

Resolutions adopted at a Special Meeting of Shareholders
Held on September 4, 2015

WHEREAS, Walshire Assurance Company (the "Shareholder"), a Pennsylvania corporation is the 100% owner and sole shareholder of Lincoln General Insurance Company, a Pennsylvania property and casualty stock insurance company (the "Company"); and

WHEREAS, a special meeting of shareholders was held on September 4, 2015 pursuant Article III of the Company's By-Laws; and

WHEREAS, the purpose of the meeting was to present to the Shareholder for its consideration, discussion, and action the resolutions (copy attached) adopted by the Company's board of directors on September 4, 2015; and

WHEREAS, the Shareholder considered the matter before it and vigorously reviewed and discussed at length the items contained in the resolutions adopted by the board of directors;

NOW THEREFORE BE IT RESOLVED:

1. The Shareholder waives all requirements of notice with respect to the special meeting of shareholders.
2. The Shareholder hereby approves, confirms, and ratifies the September 4, 2015 resolution of the Company's board of directors to consent to the Pennsylvania Insurance Department's request for a voluntary liquidation of the Company.

IN WITNESS WHEREOF, the undersigned executed this Written Consent of Sole Stockholder as of the date first written above.

SOLE STOCKHOLDER:

Walshire Assurance Company
A Pennsylvania Corporation

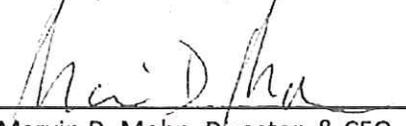

Marvin D. Mohn, Director & CEO

EXHIBIT III

WALSHIRE ASSURANCE COMPANY
(the "Company")
a Pennsylvania Corporation

VOLUNTARY LIQUIDATION OF LINCOLN GENERAL INSURANCE COMPANY
Under 40 P.S. §§221.1-221.63
(Article V of the Insurance Department Act of 1921)

Resolutions of the Board of Directors
Passed at a meeting held on September 4, 2015

WHEREAS, Walshire Assurance Company (the "Company"), a Pennsylvania corporation, is the 100% owner and sole shareholder of Lincoln General Insurance Company, a Pennsylvania property and casualty stock insurance company ("Lincoln General"); and

WHEREAS, the board of directors of the Company held a board meeting on September 4, 2015; and

WHEREAS, the purpose of the board meeting was to authorize the attendance of any officer or director at a special shareholder's meeting of Lincoln General and to vote on resolutions to authorize the voluntary liquidation of Lincoln General; and

WHEREAS, the board of directors considered the matter before it and vigorously reviewed and discussed at length the items contained in proposed shareholders resolutions of Lincoln General and in the resolutions passed on September 4, 2015 by the board of directors of Lincoln General; and

NOW THEREFORE BE IT RESOLVED:

1. All requirements of notice relating to the calling of a meeting of the board of directors of the Company are hereby unanimously waived.
2. The board of directors hereby authorizes any officer or director of the Company to attend the shareholder's meeting of Lincoln General and to vote in favor of the proposed resolutions to approve the voluntary liquidation of Lincoln General.

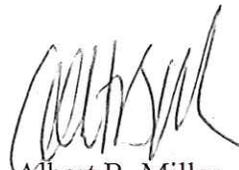
EXHIBIT (b)

**LINCOLN GENERAL INSURANCE COMPANY
SECRETARY'S CERTIFICATE**

I, Albert B. Miller, the duly appointed and qualified Secretary of Lincoln General Insurance Company do hereby certify that:

1. Attached as Exhibit "A" to this Certificate is a true, correct and complete copy of certain resolutions duly adopted by the board of directors ("Board") of Lincoln General Insurance Company at a meeting of the Board held on September 4, 2015, which constitute the only resolutions of the Board relating to the transaction contemplated by the voluntary liquidation of Lincoln General Insurance Company. The resolutions of the Board have not been amended, modified, or rescinded and remain in full force and effect as of the date hereof.
2. Attached as Exhibit "B" to this Certificate is a true, correct and complete copy of certain resolutions duly adopted by the shareholder of Lincoln General Insurance Company at a special meeting of shareholders held on September 4, 2015, which constitute the only shareholder resolutions relating to the transaction contemplated by the voluntary liquidation of Lincoln General Insurance Company. The shareholder resolutions have not been amended, modified, or rescinded and remain in full force and effect as of the date hereof.

IN WITNESS WHEREOF I have hereunto set my hand this 9th day of
September 2015.



Albert B. Miller
Secretary
Lincoln General Insurance Company

EXHIBIT A

RESOLUTIONS OF THE BOARD OF DIRECTORS OF
LINCOLN GENERAL INSURANCE COMPANY

Adopted at a meeting of the Board of Directors held on September 4, 2015

WHEREAS, Lincoln General Insurance Company ("Lincoln General") is a Pennsylvania domiciled property and casualty stock insurance company; and

WHEREAS, Deputy Insurance Commissioner Stephen J. Johnson, of the Pennsylvania Insurance Department, has requested that Lincoln General consent to its voluntary liquidation under Article V of the Insurance Department Act of 1921; as amended (40 P.S. §§221.1-221.63); and

WHEREAS, Lincoln General, and its sole shareholder, Walshire Assurance Company, have concluded that it is in the best interests of Lincoln General to provide the consent sought by the Pennsylvania Insurance Department to its voluntary liquidation under Article V of the Insurance Department Act of 1921;

NOW THEREFORE BE IT RESOLVED that, upon the request of the Pennsylvania Insurance Department, the advice of counsel, and the approval of Walshire Assurance Company, the sole shareholder of Lincoln General Insurance Company, Lincoln General hereby consents to the Pennsylvania Insurance Department's request for its voluntary liquidation;

BE IT FUTHER RESOLVED, that the Chief Executive Officer and such other officers as may be necessary are authorized and directed to execute and deliver such other and further documents, and to take such other action, as may be necessary or desirable in order to carry out these resolutions.

EXHIBIT B

LINCOLN GENERAL INSURANCE COMPANY
(the "Company")
a Pennsylvania Corporation

VOLUNTARY LIQUIDATION OF LINCOLN GENERAL INSURANCE COMPANY
Under 40 P.S. §§221.1-221.63
(Article V of the Insurance Department Act of 1921)

Resolutions adopted at a Special Meeting of Shareholders
Held on September 4, 2015

WHEREAS, Walshire Assurance Company (the "Shareholder"), a Pennsylvania corporation is the 100% owner and sole shareholder of Lincoln General Insurance Company, a Pennsylvania property and casualty stock insurance company (the "Company"); and

WHEREAS, a special meeting of shareholders was held on September 4, 2015 pursuant Article III of the Company's By-Laws; and

WHEREAS, the purpose of the meeting was to present to the Shareholder for its consideration, discussion, and action the resolutions (copy attached) adopted by the Company's board of directors on September 4, 2015; and

WHEREAS, the Shareholder considered the matter before it and vigorously reviewed and discussed at length the items contained in the resolutions adopted by the board of directors;

NOW THEREFORE BE IT RESOLVED:

1. The Shareholder waives all requirements of notice with respect to the special meeting of shareholders.
2. The Shareholder hereby approves, confirms, and ratifies the September 4, 2015 resolution of the Company's board of directors to consent to the Pennsylvania Insurance Department's request for a voluntary liquidation of the Company.

IN WITNESS WHEREOF, the undersigned executed this Written Consent of Sole Stockholder as of the date first written above.

SOLE STOCKHOLDER:

Walshire Assurance Company
A Pennsylvania Corporation


Marvin D. Mohn, Director & CEO

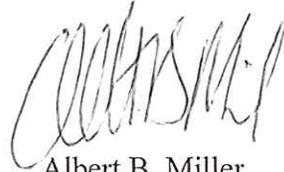
EXHIBIT (c)

**WALSHIRE ASSURANCE COMPANY
SECRETARY'S CERTIFICATE**

I, Albert B. Miller, the duly appointed and qualified Secretary of Walshire Assurance Company do hereby certify that:

Attached as Exhibit "A" to this Certificate is a true, correct and complete copy of certain resolutions duly adopted by the board of directors ("Board") of Walshire Assurance Company at a meeting of the Board held on September 4, 2015, which constitute the only resolutions of the Board relating to the transaction contemplated by the voluntary liquidation of Lincoln General Insurance Company. The resolutions of the Board have not been amended, modified, or rescinded and remain in full force and effect as of the date hereof.

IN WITNESS WHEREOF I have hereunto set my hand this 9th day of
September 2015.



Albert B. Miller
Secretary
Walshire Assurance Company

WALSHIRE ASSURANCE COMPANY
(the "Company")
a Pennsylvania Corporation

VOLUNTARY LIQUIDATION OF LINCOLN GENERAL INSURANCE COMPANY
Under 40 P.S. §§221.1-221.63
(Article V of the Insurance Department Act of 1921)

Resolutions of the Board of Directors
Passed at a meeting held on September 4, 2015

WHEREAS, Walshire Assurance Company (the "Company"), a Pennsylvania corporation, is the 100% owner and sole shareholder of Lincoln General Insurance Company, a Pennsylvania property and casualty stock insurance company ("Lincoln General"); and

WHEREAS, the board of directors of the Company held a board meeting on September 4, 2015; and

WHEREAS, the purpose of the board meeting was to authorize the attendance of any officer or director at a special shareholder's meeting of Lincoln General and to vote on resolutions to authorize the voluntary liquidation of Lincoln General; and

WHEREAS, the board of directors considered the matter before it and vigorously reviewed and discussed at length the items contained in proposed shareholders resolutions of Lincoln General and in the resolutions passed on September 4, 2015 by the board of directors of Lincoln General; and

NOW THEREFORE BE IT RESOLVED:

1. All requirements of notice relating to the calling of a meeting of the board of directors of the Company are hereby unanimously waived.
2. The board of directors hereby authorizes any officer or director of the Company to attend the shareholder's meeting of Lincoln General and to vote in favor of the proposed resolutions to approve the voluntary liquidation of Lincoln General.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Teresa D. Miller,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

v.

Docket No. _____

Lincoln General Insurance Company
3502 Concord Road
York, PA 17402

Defendant.

ORDER OF LIQUIDATION

AND NOW, this ___ day of _____, 2015 upon consideration of the Petition for Review in the Nature of a Complaint for Order of Liquidation of Lincoln General Insurance Company (“Lincoln General”) filed by Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, and the Consent to Entry of Order of Liquidation, it is hereby **ORDERED** that:

1. The Petition for Liquidation is **GRANTED**, and Lincoln General is ordered to be **LIQUIDATED** pursuant to Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, *as amended*, 40 P.S. §§ 221.1 – 221.63 (“Article V”).

2. Insurance Commissioner Teresa D. Miller and her successors in office are hereby **APPOINTED** Statutory Liquidator of Lincoln General and directed to take possession of Lincoln General’s property, business and affairs in accordance with Article V.

3. The Liquidator is hereby **VESTED** with all the powers, rights and duties authorized under Article V and other applicable statutes and regulations.

ASSETS OF THE ESTATE

4. The Liquidator is vested with title to all property, assets, contracts and rights of actions (“assets”) of Lincoln General of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation. All assets of Lincoln General are hereby found to be *in custodia legis* of this Court and this Court asserts jurisdiction as follows: (a) *in rem* jurisdiction over all assets of wherever they may be located and regardless of whether they are held in the name of Lincoln General or in any other name; (b) exclusive jurisdiction over all determinations as to whether assets belong to Lincoln General or to another party; (c) exclusive jurisdiction over all determinations of the validity and amounts of claims against Lincoln General; and (d) exclusive jurisdiction over the determination of the priority of all claims against Lincoln General.

5. The filing or recording of this Order with the Clerk of the Commonwealth Court or with the Recorder of Deeds of the county in which Lincoln General’s principal office or place of business is located (York County), shall impart the same notice as is imparted by any deed, bill of sale or other evidence of title duly filed or recorded with that Recorder of Deeds.

6. The Liquidator is directed to take possession of all assets that are the property of Lincoln General.

7. All banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of Lincoln General shall, unless otherwise instructed by the Liquidator, deliver the possession of the same immediately to the Liquidator, and shall not disburse, convey, transfer, pledge, assign, hypothecate, encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator.

8. All persons and entities are enjoined from disposing of or destroying any records pertaining to any transactions between Lincoln General and any other party.

9. The amount recoverable by the Liquidator from any reinsurer shall not be reduced as a result of this Order of Liquidation, regardless of any provision in a reinsurance contract or other agreement. Payment made directly by the reinsurer to any principal or other creditor of Lincoln General shall not diminish the reinsurer's obligation to Lincoln General except to the extent provided by law.

10. All producers and other persons having sold policies of insurance issued by Lincoln General shall account for and pay all unearned commissions and all premiums, collected or uncollected, for the benefit of Lincoln General, directly to the Liquidator within 30 days of notice of this Order. No producer, reinsurance intermediary or other person shall disburse or use any monies which come into their possession and are owed to, or claimed by Lincoln General for any purpose other than payment to the Liquidator.

11. If requested by the Liquidator, all attorneys employed or retained by Lincoln General or performing legal services for Lincoln General as of the date of this Order shall, within 30 days of such request, report to the Liquidator the name, company claim number (if applicable) and status of each matter they are handling on behalf of Lincoln General. Said report shall also include the full caption, docket number and name and address of opposing counsel in each case and an accounting of any funds received from or on behalf of Lincoln General for any purpose in any capacity. The Liquidator need not make payment for any unsolicited report.

12. Any premium finance company that has entered into a contract to finance a policy that has been issued by Lincoln General shall pay any and all premium owed to Lincoln General to the Liquidator.

13. The Liquidator is directed to continue telephone, data-processing, water, electric, sewage, garbage, delivery, trash removal and utility services needed by the estate of Lincoln General by establishing a new account for the Liquidator as of the date of this Order.

14. Any entity that has custody or control of any data processing information and records (including but not limited to source documents, all types of electronically stored information, or other recorded information) relating to Lincoln General shall transfer custody and control of such documents, in a form readable by the Liquidator, to the Liquidator as of the date of this Order, unless instructed to the contrary by the Liquidator.

15. Any entity furnishing claims processing or data processing services to Lincoln General shall maintain such services and transfer any such accounts to the Liquidator as of the date of this Order, unless instructed to the contrary by the Liquidator.

16. Lincoln General's directors, officers and employees shall: (a) surrender peaceably to the Liquidator the premises where Lincoln General conducts its business; (b) deliver all keys or access codes thereto and to any safe deposit boxes; (c) advise the Liquidator of the combinations and access codes of any safe or safekeeping devices of Lincoln General or any password or authorization code or access code required for access to data processing equipment; and (d) deliver and surrender peaceably to the Liquidator all the assets, books, records, files, credit cards, and other property of Lincoln General in their possession or control, wherever located, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the foregoing.

17. Except as otherwise provided in this Order, executory contracts to which Lincoln General is a party as of the date of this Order may be affirmed or disavowed by the Liquidator.

CONTINUATION AND CANCELLATION OF COVERAGE

18. All policies and contracts of insurance, whether issued within this Commonwealth or elsewhere, in effect on the date of this Order shall continue in force only with respect to risks in effect at that time, for the lesser of the following: (a) thirty days from the date of this Order; (b) until the normal expiration of the policy or contract providing insurance coverage; (c) until the insured has replaced the insurance coverage with the equivalent insurance with another insurer or otherwise terminated the policy; or (d) until the Liquidator has effected a transfer of the policy obligation pursuant to Section 221.23(8).

NOTICE AND PROCEDURE FOR FILING CLAIMS

19. In addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation where Lincoln General has its principal places of business that: (a) specifies the last day for the filing of claims; (b) explains the procedure by which claims may be submitted to the Liquidator; (c) provides the address of the Liquidator's office for the submission of claims; and (d) notifies the public of the right to present a claim, or claims, to the Liquidator

20. All claims against the estate of Lincoln General, together with proper proof thereof, shall be filed on or before _____. No person shall participate in any distribution of the assets of Lincoln General unless his, her or its claim has been filed with the Liquidator in accordance with the time limit established by the Liquidator, subject to the provisions for the late filing of claims pursuant to Section 537 of Article V, 40 P.S. § 221.37.

21. Within thirty (30) days of giving notice of the Order of Liquidation, as set forth in Section 524 of Article V, 40 P.S. § 221.24, and of the procedures for filing claims

against the estate of Lincoln General, the Liquidator shall file a compliance report with the Court noting, in reasonable detail, the date on which and manner by which these notices were given.

EXPENSES, PAYMENTS AND LAWSUITS

22. Without filing a petition for distribution, the Liquidator shall pay, as costs and expenses of administration pursuant to Section 544 of Article V, 40 P.S. § 221.44, the actual, reasonable and necessary costs of preserving or recovering the assets of Lincoln General. The rights and liabilities of Lincoln General and of its creditors, policyholders, trustees, members, and all other persons interested in this estate shall be determined in accordance with the Act as of the date of the filing of the Petition for Liquidation.

23. Lincoln General's directors, officers and employees or any other persons acting on Lincoln General's behalf are enjoined from taking any action, without the prior approval of the Liquidator, to transact further business on behalf of Lincoln General. They are further enjoined from taking any action that would waste the assets of Lincoln General or would interfere with the Liquidator's efforts to wind up the affairs of Lincoln General.

24. Unless the Liquidator consents thereto in writing, no action at law or in equity, including, but not limited to, an arbitration or mediation, the filing of any judgment, attachment, garnishment, lien or levy of execution process against Lincoln General or its assets, shall be brought against Lincoln General or the Liquidator or against any of their employees, officers or liquidation officers for acts or omissions in their capacity as employees, officers or liquidation officers of Lincoln General or the Liquidator, whether in this Commonwealth or elsewhere, nor shall any such existing action be maintained or further prosecuted after the effective date of this Order. All above-enumerated actions currently pending against Lincoln General in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed;

relief sought in these actions shall be pursued by filing a proof of claim against the estate of Lincoln General pursuant to Section 538 of Article V, 40 P.S. § 221.38.

25. No judgment or order against Lincoln General or any of its insureds entered after the date of filing of the Petition for Liquidation, and no judgment or order against Lincoln General or any of its principals entered at any time by default, by collusion, or otherwise, will be considered as evidence of liability or quantum of damages by the Liquidator in evaluating a claim against the estate of Lincoln General.

26. All secured creditors or parties, pledges, lienholders, collateral holders or other persons, claiming secured, priority or preferred interests in any property or assets of Lincoln General, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of Lincoln General except as provided in 40 P.S. § 221.43.

, Judge

VERIFICATION

I verify that the statements made in the Petition for Review in the Nature of a Complaint for Order of Liquidation 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).


Stephen J. Johnson, CPA
Deputy Insurance Commissioner

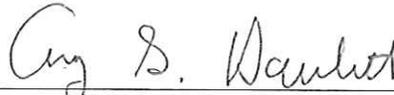
DATED: November 4, 2015

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 first-class mail, addressed as follows:

Albert B. Miller, Esq.
Lincoln General Insurance Company
3501 Concord Road
York, Pennsylvania 17402-0136



Amy G. Daubert, I.D. #62064
Deputy Chief Counsel
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