

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to Subchapter F of Chapter 19 of
: the Business Corporation Law of 1988,
Application of Lenco Mutual Insurance : Act of December 21, 1988, P.L. 1444, as
Company Requesting Approval to : amended, 15 Pa. C.S. §§ 1972 - 1979
Surrender its Certificate of Authority and :
Voluntarily Dissolve :
: Order No. ID-RC-01-34

DECISION AND ORDER

AND NOW, on this 5th day of November, 2001, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania ("Deputy Commissioner"), hereby makes the following Order:

Pursuant to the Business Corporation Law and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

1. Lenco Mutual Insurance Company ("Lenco") is a domestic mutual property insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business at King of Prussia, Pennsylvania.
2. On October 5, 2001, the Insurance Department of the Commonwealth of Pennsylvania ("Department") received a request (which, together with all material received subsequently, is hereinafter referenced as "Request") from Lenco to voluntarily dissolve pursuant to Chapter 19, Subchapter F of the Business Corporations Law, 15 Pa.C.S. §§1971-1979 ("BCL").
3. On October 20, 2001, the Department published notice in the Pennsylvania Bulletin that the Request was submitted by Lenco, and such notice invited interested persons to submit comments to the Department regarding the Request for a fifteen (15) day period, ending November 4, 2001.

4. During the fifteen day period, the Department received no comments regarding the Request.
5. Lenco has provided evidence that its Board of Directors has resolved to surrender its Certificate of Authority to operate a mutual insurance company business in the Commonwealth of Pennsylvania.
6. Lenco has provided evidence that the policyholder members have accepted and consented to the Resolution of the Board of Directors to surrender Lenco's Certificate of Authority to transact insurance company business in the Commonwealth of Pennsylvania.
7. As required by 15 Pa.C.S. §1972, Lenco has provided the resolution of its Board of Directors which recommends the voluntary dissolution of Lenco's corporate existence and the escheatment of the remaining surplus to the Commonwealth of Pennsylvania as permitted by 15 Pa.C.S. §1975(c) and required by 40 P.S. §677.
8. Lenco has provided evidence that the policyholder members approved the recommendation of the Board of Directors calling for the voluntary dissolution of Lenco.
9. As stated in the Request, Lenco has discharged all known liabilities as required by 15 Pa.C.S. §1975(c).
10. As stated in the Request, the purpose of this transaction is to dissolve Lenco.
11. As stated in the Request, Lenco has agreed that it will not transact any insurance company business after the Certificate of Authority is surrendered to the Department.

CONCLUSIONS OF LAW

1. The Request was properly filed by Lenco pursuant to and in accordance with the requirements of Chapter 19, Subchapter F of the Business Corporations Law (BCL), 15 Pa.C.S. §§1971-1979.
2. The Request satisfies the requirements of applicable laws of the BCL.
3. As required by Section 1975 of the BCL, adequate provision has been made for the discharge of all the liabilities of Lenco.
4. Based on all the information and analyses received and the Department's independent review, the Deputy Commissioner finds that the Request is in accordance with the law and is not injurious to Lenco's policyholders and creditors.

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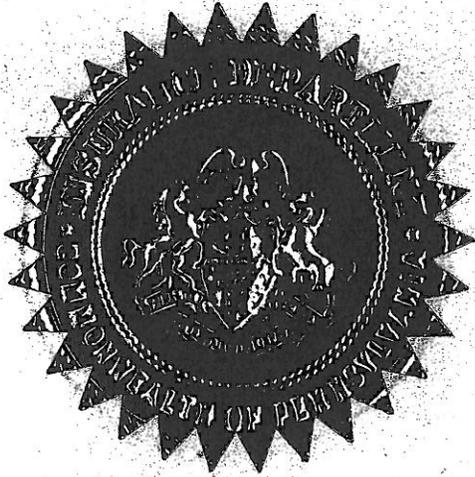
ORDER

Upon consideration of the foregoing, the Deputy Commissioner hereby approves the application of Lenco Mutual Insurance Company requesting approval to surrender its Certificate of Authority and voluntarily dissolve as filed on October 5, 2001, by Lenco Mutual Insurance Company ("Lenco"), subject to the following conditions:

1. Lenco shall return its Certificate of Authority to the Insurance Department within five days of the date of this Order.
2. Lenco shall not transact any type of insurance business in the Commonwealth of Pennsylvania or in any other jurisdiction.
3. Lenco shall not arrange for the sale nor transfer of the company, or its assets, including its name and goodwill, to another person.
4. Within thirty days of receipt of Dissolution Clearance Certificates from the Department of Revenue and from the Department of Labor and Industry, Lenco shall file Articles of Dissolution with the Commonwealth of Pennsylvania Department of State, in accordance with Section 1977 of the BCL (15 Pa.C.S. §1977).
5. Within thirty days of written approval of the Articles of Dissolution by the Department of State, Lenco shall file such approval with the Insurance Department.
6. Lenco shall complete its dissolution within ninety days of receipt of approval of the Articles of Dissolution from the Department of State.

7. Within thirty days of completion of dissolution, Lenco shall provide written notice of the completion of the dissolution to the Department.

This Order is effective immediately.



A handwritten signature in black ink, appearing to read "Stephen J. Johnson", written over a horizontal line.

Stephen J. Johnson
Deputy Insurance Commissioner
Commonwealth of Pennsylvania