

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to the Insurance Company
: Law, Act of May 17, 1921, P.L. 682,
The Request of Provident Indemnity Life : as amended, 40 P.S. §§341 et seq.
Insurance Company for Approval to :
Surrender its Certificate of Authority to :
Operate as an Insurance Company : Order No. ID-RC-04-06

DECISION AND ORDER

AND NOW, on this 17th day of March, 2004, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes this Decision and Order:

Pursuant to the Insurance Company Law, and in consideration of the documents, representations, 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

Identity of Applicant

1. Provident Indemnity Life Insurance Company (“PILIC”) is a stock life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Norristown, Pennsylvania.
2. PILIC holds a certificate authorizing the transaction of the business of insurance in this Commonwealth (“Certificate of Authority”).

The Surrender Filing

3. On February 20, 2004, the Pennsylvania Insurance Department (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from PILIC to voluntarily surrender its Certificate of Authority.

Background

4. On December 20, 2002, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) issued an Order to PILIC approving the company’s request to reinsure its entire schedule of policies with Lincoln Heritage Life Insurance

Company through the execution of an Assumption Reinsurance Agreement and Liability & Asset Transfer Agreement (“Bulk Transfer”).

5. The Bulk Transfer provided, *inter alia*, for Lincoln to assume the rights, duties, and obligations of all policies issued by Provident.

Department Procedures

6. On March 6, 2004, the Department published notice in the *Pennsylvania Bulletin* that the Request was submitted by PILIC, and such notice invited interested persons to submit comments to the Department regarding the Request for a seven day period, ending March 13, 2004.
7. During the seven day period, the Department received no comments regarding the proposed Request.

The Filing

8. PILIC has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority.
9. PILIC has provided documentation that its sole shareholder has resolved to surrender the PILIC Certificate of Authority.
10. PILIC has provided a representation that it will change its corporate name to P-C, Inc. after it surrenders the Certificate of Authority.
11. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. After the surrender of the Certificate of Authority, PILIC will no longer be authorized to transact the business of insurance in this Commonwealth.
2. Based on all the information and analyses received and the Department’s independent review, the Request is reasonable and in accordance with law.
3. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on February 20, 2004, by Provident Indemnity Life Insurance Company (“PILIC”), subject to the following conditions:

1. PILIC shall not engage in transacting the business of insurance in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. The surrender shall be effective upon receipt of the tender of the Certificate of Authority by the Insurance Department.
3. Should PILIC, as a continuing business corporation, determine that at some time in the future it would like to engage in the business of insurance, it will be necessary to file a new application with the Department for an appropriate certificate of authority.

This Order is effective immediately.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Commonwealth of Pennsylvania