

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. 11IN 2015

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

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**APPLICATION FOR RELIEF REQUESTING ENTRY OF A  
JUDICIAL DECLARATION OF INSOLVENCY**

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Plaintiff, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner"), files this application for relief requesting entry of a judicial declaration of insolvency of Lincoln General Insurance Company ("Lincoln General") as of the date of its liquidation, and, in support thereof, states the following:

BACKGROUND

1. On this date, the Commissioner filed the accompanying Petition for Liquidation of Lincoln based on the unanimous consent of the Board of Directors of Lincoln General and of Walshire Assurance Company, the sole shareholder of Lincoln General, pursuant to Article V of the Insurance Department Act of 1921, as amended by the Act of December 14, 1977. P.L. 280, No. 92 ("Article V"), 40 P.S. §§ 221.14 (grounds for rehabilitation), 221.19 (grounds for liquidation same as rehabilitation), 221.20 (petition for liquidation).

2. Lincoln General is authorized to write the lines of business described in 40 P.S. §§ 382(b)(1)-(3) and (c)(1)-(14) and is a member of Pennsylvania Property and Casualty Insurance Guaranty Fund (“PIGA”).

3. PIGA is an entity created pursuant to Article XVIII of the Insurance Company Law (“Guaranty Act”), Act of May 17, 1921, P.L. 682, No. 284, art. XVIII, as amended by the Act of December 12, 1994, P.L. 1005, No. 137, 40 P.S. §§ 991.1801-991.1820, whose purpose is to protect against any member insurer’s failure to perform its contractual obligations under property and casualty insurance policies due to impairment or insolvency by paying covered claims in accordance with the limitations set forth in the Guaranty Act. 40 P.S. § 991.1801.

4. Pursuant to the provisions of the Guaranty Act, PIGA’s obligation to step in to protect policyholders and claimants from financial loss by paying covered claims is triggered by a determination of insolvency entered by the Commonwealth Court in a liquidation proceeding. 40 P.S. §§ 991.1702 (definition of “insolvent insurer”), 991.1706(c) (powers and duties of association).

5. Section 520(f) of Article V provides that the Commonwealth Court may issue a determination of insolvency, triggering PIGA coverage, upon petition of the Commissioner following an administrative finding of insolvency and a hearing before the Commissioner. 40 P.S. § 221.20(f).

6. On September 29, 2015, the Pennsylvania Insurance Department filed a Petition for Entry of Summary Order Declaring Lincoln General (“Petition”) with the Commissioner. A true and correct copy of the Petition is attached as Exhibit A and incorporated here by reference.

7. The Commissioner held an administrative hearing on the Petition on October 8, 2015.

8. Following the hearing, the Department filed Proposed Findings of Fact with the Commissioner.

9. On October 20, 2015, the Commissioner issued an Order granting the Petition and finding Lincoln General to be insolvent (“Administrative Order”). A true and correct copy of the Administrative Order is attached as Exhibit B and incorporated herein by reference.

10. The Petition was unopposed.

### LINCOLN IS STATUTORILY INSOLVENT

11. Under Section 503 of Article V, 40 P.S. § 221.3, an insurer is insolvent if its admitted assets do not exceed its liabilities plus any capital and surplus required by law.

12. Under 40 P.S. §§ 386(b) and (c), Lincoln General’s minimum required capital and surplus is \$3,525,000. Administrative Order, Findings of Fact, ¶4.

13. As the Administrative Order found, Lincoln General’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$2.3 million as of December 31, 2014:

	<b>2014 Annual Statement</b>
<b>Admitted Assets</b>	\$ 76,404,141
<b>Liabilities</b>	\$ 75,193,081
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 78,718,081
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 2,313,940)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

Administrative Order, Findings of Fact, ¶5.

14. As the Administrative Order found, Lincoln General’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$3.2 million as of March 31, 2015:

	<b>2015 1<sup>st</sup> Quarter Statement</b>
<b>Admitted Assets</b>	\$ 71,981,908
<b>Liabilities</b>	\$ 71,724,744
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 75,249,744
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 3,267,836)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

Administrative Order, Findings of Fact, ¶6.

15. As the Administrative Order found, Lincoln General’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$10.4 million as of June 30, 2015:

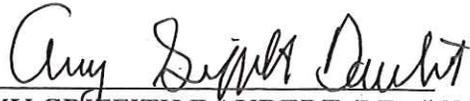
	<b>2015 2<sup>nd</sup> Quarter Statement</b>
<b>Admitted Assets</b>	\$ 65,623,796
<b>Liabilities</b>	\$ 72,557,651
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 76,082,651
<b>Total Insolvency (line 1 – line 4)</b>	(\$10,458,855)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

Administrative Order, Findings of Fact, ¶7.

16. Under Section 503 of Article V, Lincoln General is statutorily insolvent. See 40 P.S. § 221.3 (definition of “insolvency”). Lincoln General’s liabilities, plus any capital and surplus required by law, exceed its admitted assets.

WHEREFORE, Plaintiff, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, respectfully requests that this Honorable Court declare that Lincoln General is statutorily insolvent as of the date 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**

RECEIVED  
INSURANCE DEPARTMENT  
2015 SEP 29 AM 10:55  
ADMINISTRATIVE OFFICE

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : SUMMARY ORDER  
: :  
Lincoln General Insurance Company : Pursuant to Sections 503, 510 and 520(f) of  
3501 Concord Road : Article V of the Insurance Department Act of  
York, Pennsylvania 17402-0136 : 1921, P.L. 789, as amended, 40 P.S. §§221.3,  
: 221.10, 221.20(f).  
: :  
: Confidential Docket No. SP15-09-020

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**PETITION FOR ENTRY OF SUMMARY ORDER FINDING  
LINCOLN GENERAL INSURANCE COMPANY INSOLVENT**

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The Pennsylvania Insurance Department (“Department”) hereby requests that the Insurance Commissioner (“Commissioner”) enter a summary order finding Lincoln General Insurance Company (“Lincoln”) to be insolvent under Article V of the Insurance Department Act of 1921, 40 P.S. §§221.3, 221.10, 221.20(f), and, in support thereof, states the following:

**BACKGROUND**

1. Lincoln is a domestic stock property and casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania and has its principal place of business at 3501 Concord Road, York, Pennsylvania 17402-0136.
2. Lincoln is authorized to write lines of business under the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §382(b)(1)-(3) and (c)(1)-(14).

3. Lincoln is, and at all material times has been, engaged in the lines of insurance described in Paragraph 2, supra.

4. Lincoln is subject to the jurisdiction of the Commissioner under Article V of the Insurance Department Act of 1921 ("Article V"). 40 P.S. §§221.2 (persons covered), 221.3 (definitions of "insurer" and "doing business"), 221.10 (Commissioner's summary orders).

5. The Department plans to file a petition for the liquidation of Lincoln with the Commonwealth Court for the protection of Lincoln's policyholders, creditors and assets.

6. The Pennsylvania Property and Casualty Insurance Guaranty ("PIGA") is an entity created pursuant to Article XVIII of the Insurance Company Law ("Guaranty Act"), Act of May 17, 1921, P.L. 682, No. 284, art. XVIII, as amended by the Act of December 12, 1994, P.L. 1005, No. 137, 40 P.S. §§991.1801-991.1820, whose purpose is to protect against any member insurer's failure to perform its contractual obligations under property and casualty insurance policies due to impairment or insolvency by paying covered claims in accordance with the limitations set forth in the Guaranty Act. 40 P.S. §991.1801.

7. Pursuant to the provisions of the Guaranty Act, PIGA's obligation to step in to protect policyholders and claimants from financial loss by paying covered claims is triggered by a determination of insolvency entered by the Commonwealth Court in a liquidation proceeding. 40 P.S. §§991.1702 (definition of "insolvent insurer"), 991.1706(c) (powers and duties of association).

8. Section 520(f) of Article V provides that the Commonwealth Court may issue a determination of insolvency, triggering PIGA coverage, upon petition of the Commissioner following an administrative finding of insolvency and a hearing before the Commissioner. 40 P.S. §221.20(f).

**LINCOLN IS STATUTORILY INSOLVENT**

9. Under Section 503 of Article V, 40 P.S. §221.3, an insurer is insolvent if its admitted assets do not exceed its liabilities plus any capital and surplus required by law.

10. Under 40 P.S. §§ 386(b) and (c), Lincoln’s minimum required capital and surplus is \$3,525,000.

11. Under 40 P.S. §443(a), Lincoln is required to file annual and quarterly statements of its financial condition with the Commissioner.

12. On or about March 16, 2015, Lincoln filed its annual financial statement for the year ended December 31, 2014 (“2014 Annual Statement”) with the Commissioner. True and correct copies of pages 1-3 of Lincoln’s 2014 Annual Statement are attached as Exhibit A to this petition and incorporated here by reference.

13. Lincoln’s officers personally attested that its 2014 Annual Statement was a “full and true statement” of “all of the assets and liabilities and of the condition and affairs” of LINCOLN. See 2014 Annual Statement, p. 1.

14. As of December 31, 2014, Lincoln’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$2.3 million:

	<b>2014 Annual Statement</b>
<b>Admitted Assets</b>	\$ 76,404,141
<b>Liabilities</b>	\$ 75,193,081
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 78,718,081
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 2,313,940)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

15. On or about May 15, 2015, Lincoln filed its quarterly financial statement for quarter ended March 31, 2015 (“2015 1<sup>st</sup> Quarter Statement”) with the Commissioner. True and correct

copies of pages 1-3 of Lincoln's 2015 1<sup>st</sup> Quarter Statement are attached as Exhibit B to this petition and incorporated here by reference.

16. Lincoln's officers personally attested that its 2015 1<sup>st</sup> Quarter Statement was a "full and true statement" of "all of the assets and liabilities and of the condition and affairs" of Lincoln. See 2015 1<sup>st</sup> Quarter Statement, p. 1.

17. As of March 31, 2015, Lincoln's liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$3.26 million:

	2015 1 <sup>st</sup> Quarter Statement
<b>Admitted Assets</b>	\$ 71,981,908
<b>Liabilities</b>	\$ 71,724,744
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 75,249,744
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 3,267,836)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

18. On or about September 14, 2015, Lincoln filed its quarterly financial statement for quarter ended June 30, 2015 ("2015 2<sup>nd</sup> Quarter Statement") with the Commissioner. True and correct copies of pages 1-3 of Lincoln's 2015 2<sup>nd</sup> Quarter Statement are attached as Exhibit C to this petition and incorporated here by reference.

19. Lincoln's officers personally attested that its 2015 2<sup>nd</sup> Quarter Statement was a "full and true statement" of "all of the assets and liabilities and of the condition and affairs" of Lincoln. See 2015 2<sup>nd</sup> Quarter Statement, p. 1.

20. As of June 30, 2015, Lincoln's liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$ 10.4 million:

	2015 2 <sup>nd</sup> Quarter Statement
<b>Admitted Assets</b>	\$ 65,623,796
<b>Liabilities</b>	\$ 72,557,651
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 76,082,651
<b>Total Insolvency (line 1 – line 4)</b>	(\$10,458,855)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

21. Under Section 503 of Article V, Lincoln is statutorily insolvent. See 40 P.S. §221.3 (definition of “insolvency”). As Lincoln has admitted in its 2014 Annual and its 2015 1<sup>st</sup> and 2<sup>nd</sup> Quarter Statements, its admitted assets do not exceed its liabilities plus any capital and surplus required by law.

WHEREFORE, The Pennsylvania Insurance Department respectfully requests that the Insurance Commissioner issue a summary order finding that Lincoln General Insurance Company is insolvent.

\_\_\_\_\_  
 AMY GRIFFITH DAUBERT  
 Deputy Chief Counsel  
 I.D. # 62064  
 Pennsylvania Insurance Department  
 1341 Strawberry Square  
 Harrisburg State Office Building, No.1  
 Harrisburg, PA 17102  
 (717) 787-2567

Counsel for the Insurance Department,  
 Commonwealth of Pennsylvania

DATED: September 29, 2015

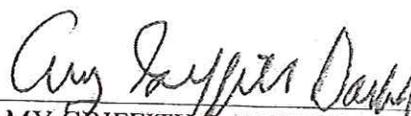
CERTIFICATE OF SERVICE

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I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service by first-class mail, addressed as follows:

Lincoln General Insurance Company  
3501 Concord Road  
York, Pennsylvania 17402-0136



AMY GRIFFITH DAUBERT  
Deputy Chief Counsel  
I.D. # 62064  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harristown State Office Building No. 1  
Harrisburg, PA 17120  
(717) 787-2567

Counsel for the Insurance Department,  
Commonwealth of Pennsylvania

DATED: September 29, 2015

EXHIBIT A



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014  
OF THE CONDITION AND AFFAIRS OF THE

## Lincoln General Insurance Company

NAIC Group Code 4753 4753 NAIC Company Code 33855 Employer's ID Number 23-2023242  
(Current) (Prior)

Organized under the Laws of Pennsylvania, State of Domicile or Port of Entry Pennsylvania  
Country of Domicile United States of America

Incorporated/Organized 03/17/1977 Commenced Business 05/13/1977

Statutory Home Office 3501 Concord Road, York, PA, US 17402-0136  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3501 Concord Road  
(Street and Number)  
York, PA, US 17402-0136 (City or Town, State, Country and Zip Code)  
717-757-0000 (Area Code) (Telephone Number)

Mail Address P.O. Box 3709, York, PA, US 17402-0136  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3501 Concord Road  
(Street and Number)  
York, PA, US 17402-0136 (City or Town, State, Country and Zip Code)  
717-757-0000 (Area Code) (Telephone Number)

Internet Website Address www.lincolngeneral.com

Statutory Statement Contact Daniel Lee Ehrhart, 717-757-0000  
(Name) (Area Code) (Telephone Number)  
Daniel.Ehrhart@pro-global, 717-751-0144  
(E-mail Address) (FAX Number)

### OFFICERS

Chief Executive Officer Marvin David Mohn Corporate Secretary Albert Bernard Miller  
Treasurer Paul Martin Mooney #

### OTHER

Paul Martin Mooney Chief Operating Officer Aaron Steven Levine Assistant Vice President Albert Bernard Miller Assistant Vice President

### DIRECTORS OR TRUSTEES

Marvin David Mohn Jonathan Frederick Bank Norris William Clark  
Joshua Scott Horowitz Stewart Alan Keir Paul Martin Mooney  
Gary Joseph Orndorff

State of Pennsylvania SS:  
County of York

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Marvin David Mohn  
Chief Executive Officer

Paul Martin Mooney  
Treasurer

Albert Bernard Miller  
Corporate Secretary

Subscribed and sworn to before me this 8th day of March 2015  
Amy Lee Rindler

- a. Is this an original filing? ..... Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed.....  
3. Number of pages attached.....

NOTARIAL SEAL

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE LINCOLN GENERAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	59,069,376		59,069,376	59,774,034
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	0
2.2 Common stocks.....			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	0
3.2 Other than first liens.....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances).....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances).....			0	0
5. Cash (\$ ..... 2,267,669, Schedule E - Part 1), cash equivalents (\$ ..... Schedule E - Part 2) and short-term investments (\$ ..... 8,653,824, Schedule DA).....	11,121,493		11,121,493	13,247,506
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA).....			0	0
9. Receivable for securities.....	9,544		9,544	9,038
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets.....	3,125,000	0	3,125,000	3,125,000
12. Subtotals, cash and invested assets (Lines 1 to 11).....	73,325,413	0	73,325,413	109,156,008
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued.....	244,060		244,060	422,688
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	8,063,729	7,544,277	519,443	649,727
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,066,245		2,066,245	2,659,385
16.2 Funds held by or deposited with reinsured companies.....			0	0
16.3 Other amounts recoverable under reinsurance contracts.....			0	0
17. Amounts receivable relating to uninsured plans.....			0	0
18.1 Current federal and foreign income tax receivable and interest thereon.....			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit.....			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ).....	11,424	11,424	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	0
23. Receivables from parent, subsidiaries and affiliates.....			0	0
24. Health care (\$ ..... ) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets.....	1,206,470	977,510	228,960	352,758
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	84,937,362	8,533,211	76,404,141	113,234,607
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27).....	84,937,362	8,533,211	76,404,141	113,234,607
<b>DETAILS OF WRITE-INS</b>				
1101. Superceded Deposit.....	3,125,000		3,125,000	3,125,000
1102. ....			0	0
1103. ....			0	0
1160. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1160)(Line 11 above).....	3,125,000	0	3,125,000	3,125,000
2501. Equities and deposits in pools and associations.....	115,114		115,114	153,611
2502. Non Premium Receivable.....	102,178		102,178	178,186
2503. Prepaid Expense.....	975,219	975,219	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	13,959	2,291	11,668	11,001
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	1,206,470	977,510	228,960	352,758

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE LINCOLN GENERAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	54,073,642	81,459,027
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	52,557	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	14,955,749	21,673,777
4. Commissions payable, contingent commissions and other similar charges	884,938	885,527
5. Other expenses (excluding taxes, licenses and fees)	1,677,250	2,894,999
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ _____ on realized capital gains (losses))		
7.2 Not deferred tax liability		
8. Borrowed money \$ _____ and interest thereon \$ _____		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ _____ 112,000 and including warranty reserves of \$ _____ and accrued accident and health experience rating refunds including \$ _____ for medical loss ratio rebate per the Public Health Service Act)	265,422	490,061
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	789,856	737,054
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	251,433	480,018
14. Amounts withheld or retained by company for account of others		
15. Retirements and items not allocated		
16. Provision for reinsurance (including \$ _____ 0 certified) (Schedule F, Part 6)	1,357,400	1,357,400
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	314,488	264,331
20. Derivatives		
21. Payable for securities		510,630
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ _____ and interest thereon \$ _____		
25. Aggregate write-ins for liabilities	540,334	833,374
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	75,193,081	111,586,194
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	75,193,081	111,586,194
29. Aggregate write-ins for special surplus funds	298,052	894,176
30. Common capital stock	4,200,000	4,200,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		
34. Gross paid in and contributed surplus	454,675,000	454,675,000
35. Unassigned funds (surplus)	(457,561,992)	(458,120,763)
36. Less treasury stock, at cost:		
36.1 _____ shares common (value included in Line 30 \$ _____)		
36.2 _____ shares preferred (value included in Line 31 \$ _____)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,211,060	1,646,413
38. TOTALS (Page 2, Line 28, Col. 3)	76,404,141	113,234,607
<b>DETAILS OF WRITE-INS</b>		
2501. Deposits by Insureds	540,334	833,374
2502. Other Liabilities		0
2503. _____		0
2598. Summary of remaining write-ins for Line 25 from overflow page		0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	540,334	833,374
2901. Gain on Sale of Building	298,052	894,176
2902. _____		
2903. _____		
2998. Summary of remaining write-ins for Line 29 from overflow page		0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	298,052	894,176
3201. _____		
3202. _____		
3203. _____		
3298. Summary of remaining write-ins for Line 32 from overflow page		0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

**EXHIBIT B**



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF MARCH 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

## Lincoln General Insurance Company

NAIC Group Code 4753 4753 NAIC Company Code 33855 Employer's ID Number 23-2023242  
(Current) (Prior)

Organized under the Laws of Pennsylvania, State of Domicile or Port of Entry Pennsylvania

Country of Domicile United States of America

Incorporated/Organized 03/17/1977 Commenced Business 05/13/1977

Statutory Home Office 3501 Concord Road York, PA, US 17402-0136  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3501 Concord Road York, PA, US 17402-0136  
(Street and Number) (City or Town, State, Country and Zip Code)  
717-757-0000  
(Area Code) (Telephone Number)

Mail Address P.O. Box 3709 York, PA, US 17402-0136  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3501 Concord Road York, PA, US 17402-0136  
(Street and Number) (City or Town, State, Country and Zip Code)  
717-757-0000  
(Area Code) (Telephone Number)

Internet Website Address www.lincolngeneral.com

Statutory Statement Contact Daniel Lee Ehrhart 717-757-0000  
(Name) (Area Code) (Telephone Number)  
Daniel.Ehrhart@Pro-Global.com 717-751-0144  
(E-mail Address) (FAX Number)

### OFFICERS

Chief Executive Officer Marvin David Mohn Corporate Secretary Albert Bernard Miller  
Treasurer Paul Martin Mooney

### OTHER

Paul Martin Mooney Chief Operating Officer Aaron Steven Levine Assistant Vice President Albert Bernard Miller Assistant Vice President

### DIRECTORS OR TRUSTEES

Marvin David Mohn Jonathan Frederick Bank Norris William Clark  
Joshua Scott Horowitz Stewart Alan Kejr Paul Martin Mooney  
Gary Joseph Orndorff

State of Pennsylvania SS:  
County of York

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

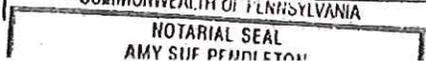
Marvin David Mohn  
Marvin David Mohn  
Chief Executive Officer

Paul Martin Mooney  
Paul Martin Mooney  
Treasurer

Albert Bernard Miller  
Albert Bernard Miller  
Corporate Secretary

Subscribed and sworn to before me this 14th day of May 2015  
Amy Sue Perdets

- a. Is this an original filing? ..... Yes [ X ] No [ ]
- b. If no,
  1. State the amendment number.....
  2. Date filed.....
  3. Number of pages attached.....



## STATEMENT AS OF MARCH 31, 2015 OF THE LINCOLN GENERAL INSURANCE COMPANY

## ASSETS

	Current Statement Date			December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	51,885,631		51,885,631	58,069,376
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$                    encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$                    4,438,155 ), cash equivalents (\$                    ) and short-term investments (\$                    9,547,660 )	13,985,205		13,985,205	11,121,493
6. Contract loans (including \$                    premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities	796		796	9,544
10. Securities lending re-invested collateral assets			0	0
11. Aggregate write-ins for invested assets	3,125,000	0	3,125,000	3,125,000
12. Subtotals, cash and invested assets (Lines 1 to 11)	68,976,632	0	68,976,632	73,325,413
13. Title plants less \$                    charged off (for Title insurers only)			0	0
14. Investment income due and accrued	245,902		245,902	244,080
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	6,036,052	7,545,305	499,747	519,443
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbillable premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,045,898		2,045,898	2,065,245
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts recoverable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$                    )	8,657	8,657	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$                    ) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	1,110,789	883,060	227,729	228,960
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	80,418,930	8,437,022	71,981,908	76,404,141
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	80,418,930	8,437,022	71,981,908	76,404,141
<b>DETAILS OF WRITE-INS</b>				
1101. Superseded Deposit	3,125,000		3,125,000	3,125,000
1102. _____			0	0
1103. _____				
1199. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	3,125,000	0	3,125,000	3,125,000
2501. Equities and deposits in pools and associations	115,114		115,114	115,114
2502. Non Premium Receivable	102,178		102,178	102,178
2503. Prepaid Expense	881,341	881,341	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	12,156	1,719	10,437	11,668
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	1,110,789	883,060	227,729	228,960

STATEMENT AS OF MARCH 31, 2015 OF THE LINCOLN GENERAL INSURANCE COMPANY  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$ 102,911 )	52,076,269	54,073,642
2. Reinsurance payable on paid losses and loss adjustment expenses	62,308	52,567
3. Loss adjustment expenses	14,238,048	14,905,740
4. Commissions payable, contingent commissions and other similar charges	864,964	884,933
5. Other expenses (excluding taxes, licenses and fees)	1,693,855	1,577,290
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 85,611 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	330,054	365,422
10. Advance premium		
11. Dividends declared and unpaid		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	789,824	789,856
13. Funds held by company under reinsurance treaties	246,130	251,433
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ cost)	720,400	1,357,400
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	162,868	314,489
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	540,334	540,334
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	71,724,744	75,193,081
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	71,724,744	75,193,081
29. Aggregate write-ins for special surplus funds	149,021	298,052
30. Common capital stock	4,200,000	4,200,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		
34. Gross paid in and contributed surplus	454,675,000	454,675,000
35. Unassigned funds (surplus)	(458,766,857)	(457,951,992)
36. Less treasury stock, at cost		
36.1 shares common (value included in Line 30 \$ )		
36.2 shares preferred (value included in Line 31 \$ )		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	257,164	1,211,060
38. Totals (Page 2, Line 28, Col. 3)	71,981,908	76,404,141
<b>DETAILS OF WRITE-INS</b>		
2501. Deposits by Insureds	540,334	540,334
2502. Other Liabilities		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	540,334	540,334
2901. Gain on Sale of Building	149,021	298,052
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	149,021	298,052
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)	0	0

**EXHIBIT C**



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF JUNE 30, 2015

OF THE CONDITION AND AFFAIRS OF THE

## Lincoln General Insurance Company

NAIC Group Code 4753 4753 NAIC Company Code 33855 Employer's ID Number 23-2023242  
(Current) (Prior)

Organized under the Laws of Pennsylvania, State of Domicile or Port of Entry Pennsylvania

Country of Domicile United States of America

Incorporated/Organized 03/17/1977 Commenced Business 05/13/1977

Statutory Home Office 3501 Concord Road York, PA, US 17402-0136  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3501 Concord Road 717-757-0000  
(Street and Number) (Area Code) (Telephone Number)  
York, PA, US 17402-0136  
(City or Town, State, Country and Zip Code)

Mail Address P.O. Box 3709 York, PA, US 17402-0136  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3501 Concord Road 717-757-0000  
(Street and Number) (Area Code) (Telephone Number)  
York, PA, US 17402-0136  
(City or Town, State, Country and Zip Code)

Internet Website Address www.lincolngeneral.com

Statutory Statement Contact Susan Lee 212-605-8373  
(Name) (Area Code) (Telephone Number)  
Susan.Lee@pro-global.com 212-605-8395  
(E-mail Address) (FAX Number)

### OFFICERS

Chief Executive Officer Marvin David Mohn Corporate Secretary Albert Bernard Miller  
Treasurer Susan Lee

### OTHER

Paul Martin Mooney Chief Operating Officer Aaron Steven Levine Assistant Vice President Albert Bernard Miller Assistant Vice President

### DIRECTORS OR TRUSTEES

Marvin David Mohn Jonathan Frederick Bank Norris William Clark  
Joshua Scott Horowitz Stewart Alan Keir Paul Martin Mooney  
Gary Joseph Orndorf

State of Pennsylvania SS:  
County of York

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Marvin David Mohn Susan Lee Albert Bernard Miller  
Chief Executive Officer Treasurer Corporate Secretary

Subscribed and sworn to before me this 8th day of September 2015  
Angie Lee Pench  
COMMONWEALTH OF PENNSYLVANIA

- a. Is this an original filing? ..... Yes  No   
b. If no,  
1. State the amendment number.....  
2. Date filed.....  
3. Number of pages attached.....

STATEMENT AS OF JUNE 30, 2015 OF THE LINCOLN GENERAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1 Bonds	43,212,911		43,212,911	59,066,376
2 Stocks				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3 Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 2,672,278 ), cash equivalents (\$ ) and short-term investments (\$ 13,536,613 )	16,209,091		16,209,091	11,121,493
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities			0	9,544
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	3,125,000	0	3,125,000	3,125,000
12. Subtotal, cash and invested assets (Lines 1 to 11)	62,547,002	0	62,547,002	73,225,413
13. Title plans less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	152,856		152,856	244,000
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,159,370	7,555,478	603,892	519,443
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,026,605		2,026,605	2,066,245
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$ )	8,657	8,657	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$ ) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	1,075,269	780,828	294,441	228,560
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	73,968,759	8,344,963	65,623,796	76,404,141
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	73,968,759	8,344,963	65,623,796	76,404,141
DETAILS OF WRITE-INS				
1101. Supersedeas Deposit	3,125,000		3,125,000	3,125,000
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	3,125,000	0	3,125,000	3,125,000
2501. Equities and deposits in pools and associations	149,306		149,306	115,114
2502. Non Fratru Receivable	102,178		102,178	102,178
2503. Prepaid Expense	815,870	719,109	37,461	0
2598. Summary of remaining write-ins for Line 25 from overflow page	7,213	1,719	5,494	11,668
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	1,075,269	780,828	294,441	228,560

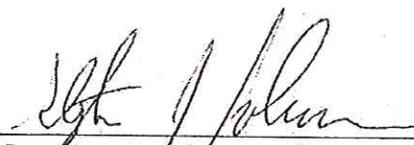
STATEMENT AS OF JUNE 30, 2015 OF THE LINCOLN GENERAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 188,339 )	54,683,113	54,073,642
2. Reinsuror payable on paid losses and loss adjustment expenses	0	62,657
3. Loss adjustment expenses	13,120,271	14,906,740
4. Commissions payable, contingent commissions and other similar charges	862,499	884,938
5. Other expenses (excluding taxes, licenses and fees)	672,329	1,677,290
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 142,537 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	330,646	365,422
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	772,529	769,856
13. Funds held by company under reinsurance treaties	235,085	251,433
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ certified)	733,400	1,357,400
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	169,809	314,469
20. Derivatives	0	
21. Payable for securities	237,893	
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	740,077	540,334
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	72,557,651	75,133,081
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	72,557,651	75,133,081
29. Aggregate write-ins for special surplus funds	0	298,052
30. Common capital stock	4,200,000	4,200,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		
34. Gross paid in and contributed surplus	454,675,000	454,675,000
35. Unassigned funds (surplus)	(465,808,855)	(457,991,992)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )		
36.2 shares preferred (value included in Line 31 \$ )		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	(6,933,855)	1,211,060
38. Totals (Page 2, Line 26, Col. 3)	65,623,796	76,424,141
DETAILS OF WRITE-INS		
2501. Deposits by Insureds	740,077	540,334
2502. Other Liabilities		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	740,077	540,334
2901. Gain on Sale of Building	0	298,052
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	298,052
3201.		
3202.		
3203.		
3295. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3295)(Line 32 above)	0	0

VERIFICATION

I verify that the statements made in the Petition for Entry of Summary Order Finding Lincoln General Insurance Company Insolvent 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

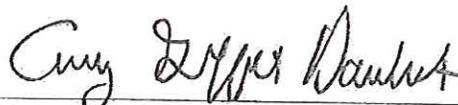
CERTIFICATE OF SERVICE

---

I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service by first-class mail, addressed as follows:

Lincoln General Insurance Company  
3501 Concord Road  
York, Pennsylvania 17402-0136



---

AMY GRIFFITH DAUBERT  
Deputy Chief Counsel  
I.D. # 62064  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg State Office Building No. 1  
Harrisburg, PA 17120  
(717) 787-2567

Counsel for the Insurance Department,  
Commonwealth of Pennsylvania

DATED: September 29, 2015

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : SUMMARY ORDER  
: :  
Lincoln General Insurance Company : Pursuant to Sections 503, 510 and 520(f) of  
3501 Concord Road : Article V of the Insurance Department Act of  
York, Pennsylvania 17402-0136 : 1921, Act of May 17, 1921, P.L. 789, as  
: amended, 40 P.S. §§221.3, 221.10, 221.20(f).  
: :  
: Confidential Docket No. SP15-09-020

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NOTICE OF HEARING

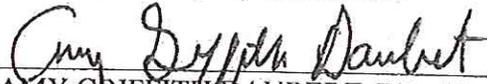
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Pursuant to 40 P.S. §§221.10(a), 221.10(c), please take notice that the following  
administrative hearing has been scheduled:

Date/Time of Hearing: October 8, 2015 at 10:00 a.m.

Location of Hearing: Commonwealth of Pennsylvania  
Insurance Department  
Administrative Hearings Office  
901 North 7<sup>th</sup> Street, Room 200  
Harrisburg, PA 17102

Subject of Hearing: Petition of the Pennsylvania Insurance Department  
for entry of a summary order finding that Lincoln  
General Insurance Company is insolvent.

  
AMY GRIFFITH DAUBERT (I.D. #62064)  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg, PA 17102  
(717) 787-2567

Counsel for the Insurance Department,  
Commonwealth of Pennsylvania

DATE: September 29, 2015

CERTIFICATE OF SERVICE

---

I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service by first-class mail, addressed as follows:

Lincoln General Insurance Company  
3501 Concord Road  
York, Pennsylvania 17402-0136

  
AMY GRIFFITH DAUBERT (I.D. #62064)  
Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg, PA 17120  
(717) 787-2567

Counsel for the Insurance Department,  
Commonwealth of Pennsylvania

DATED: September 29, 2015

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : SUMMARY ORDER  
: :  
Lincoln General Insurance Company : Pursuant to Sections 503, 510 and 520(f) of  
3501 Concord Road : Article V of the Insurance Department Act of  
York, Pennsylvania 17402-0136 : 1921, P.L. 789, as amended, 40 P.S. §§221.3,  
: 221.10, 221.20(f).  
: :  
: Confidential Docket No. SP15-09-020

---

**ORDER**

---

AND NOW, this \_\_\_\_ day of October, 2015 pursuant to and in accordance with Sections 503, 510 and 520(f) of the Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, as amended, 40 P.S. §§221.3, 221.10, 221.20(f), Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, after consideration of the Petition of the Pennsylvania Insurance Department for Entry of Summary Order Declaring Lincoln General Insurance Company Insolvent, any answer thereto, and any administrative hearing testimony, exhibits, briefs and other documents that may properly be considered, makes the following Order:

1. On September 29, 2015, the Pennsylvania Insurance Department ("Department") filed a Petition For Entry of Summary Order Declaring Lincoln General Insurance Company Insolvent ("Petition").

2. Lincoln General Insurance Company ("Lincoln") is subject to the jurisdiction of the Commissioner under Article V of the Insurance Department Act of 1921 ("Article V").

40 P.S. §§221.2 (persons covered), 221.3 (definitions of “insurer” and “doing business”), 221.10 (Commissioner’s summary orders).

3. Section 520(f) of Article V provides that the Commonwealth Court may issue a determination of insolvency upon petition of the Commissioner following an administrative finding of insolvency and a hearing before the Commissioner. 40 P.S. §221.20(f).

4. An administrative hearing was held on the Department’s Petition on October 8, 2015.

5. Under Section 503 of Article V, 40 P.S. §221.3, an insurer is insolvent if its admitted assets do not exceed its liabilities plus any capital and surplus required by law.

6. Lincoln is a domestic stock property and casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania and has its principal place of business at 3501 Concord Road, York, Pennsylvania 17402-0136.

7. Lincoln is authorized to write lines of business under the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §382(b)(1)- (3) and (c)(1)-(14).

8. Under 40 P.S. §386(a), Lincoln’s minimum required capital and surplus is \$3,250,000.

9. On March 1, 2015, Lincoln filed its annual financial statement for the year ended December 31, 2014 with the Commissioner pursuant to 40 P.S. §443.

10. As of December 31, 2014, Lincoln’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$2.3 million:

	<b>2014 Annual Statement</b>
<b>Admitted Assets</b>	\$76,404,141
<b>Liabilities</b>	\$75,193,081
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 78,718,081
<b>Total Insolvency (line 1 – line 4)</b>	(\$2,313,940)
(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)	

11. On or about March 31, 2015, Lincoln filed its quarterly financial statement for quarter ended March 31, 2015 (“2015 1<sup>st</sup> Quarter Statement”) with the Commissioner.

12. As of March 31, 2015, Lincoln’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by almost \$3.26 million:

	<b>2015 1<sup>st</sup> Quarter Statement</b>
<b>Admitted Assets</b>	\$ 71,981,908
<b>Liabilities</b>	\$ 71,724,744
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 75,249,744
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 3,267,836)
(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)	

13. On or about August 15, 2015, Lincoln filed its quarterly financial statement for quarter ended June 30, 2015 (“2015 2<sup>nd</sup> Quarter Statement”) with the Commissioner.

14. As of June 30, 2015, Lincoln’s liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$ 10.4 million:

	<b>2015 1<sup>st</sup> Quarter Statement</b>
<b>Admitted Assets</b>	\$ 65,623,796
<b>Liabilities</b>	\$ 72,557,651
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 76,082,651
<b>Total Insolvency (line 1 – line 4)</b>	(\$10,458,855)
(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)	

15. Under Section 503 of Article V, Lincoln General is statutorily insolvent, its admitted assets do not exceed its liabilities plus any capital and surplus required by law.

---

Teresa D. Miller  
Insurance Commissioner  
Commonwealth of Pennsylvania

DATED:

**EXHIBIT B**



**pennsylvania**  
INSURANCE DEPARTMENT

October 20, 2015

Lincoln General Insurance Company  
3501 Concord Road  
York, PA 17402-0136

Amy G. Daubert, Esquire  
Governor's Office of General Counsel  
30 North Third Street, 8<sup>th</sup> Floor  
Harrisburg, PA 17101

The Appeal of: **Lincoln General Insurance Company**  
**Docket No.: SP15-09-020**  
(CONFIDENTIAL)

Dear Parties:

I am mailing this date an Adjudication and Order executed by Teresa D. Miller, Insurance Commissioner.

Sincerely,

Jill Linta  
Assistant Hearings Administrator

cc: James A. Johnson  
Presiding Officer

Attachment(s)

2015 OCT 20 AM 11:56

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

ACTION: AND SUBJECT

IN RE: : Pursuant to Sections 503, 510 and 520(f)  
: of Article V of the Insurance Department  
: Act of 1921, P.L. 789, as amended, 40  
Lincoln General Insurance Company : P.S. §§221.3, 221.10, 221.20(f).  
3501 Concord Road :  
York, Pennsylvania 17402-0136 : Confidential Docket No. SP15-09-020

**ORDER**

**THIS ORDER** is made this 20<sup>th</sup> day of October 2015, and addresses the unopposed petition for summary order declaring Lincoln General Insurance Company insolvent. A presiding officer was appointed and a hearing upon the petition was conducted on October 8, 2015. Testifying was Stephen J. Johnson, the Deputy Commissioner for the Office of Corporate and Financial Regulation of the Pennsylvania Insurance Department. The record establishes the following:

**Findings of Fact**

1. On September 29, 2015, the Department filed a Petition seeking entry of a summary order from the Insurance Commissioner finding Lincoln General Insurance Company ("Lincoln") to be insolvent. [Petition for Entry of Summary Order Finding Lincoln General Insurance Company Insolvent ("Petition"), p. 1].
2. An administrative hearing was conducted on the Department's Petition on October 8, 2015. [N.T. 5].
3. An insurance company is statutorily insolvent if its admitted assets do not exceed its liabilities plus any capital and surplus required by law. [N.T 11-12].

DATE MAILED: October 20, 2015

4. Lincoln's statutorily required minimum capital and surplus is \$3,525,000. [N.T. 12; Exhibit D ¶ 10].

5. As of December 31, 2014, Lincoln's liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$2.3 million:

	<b>2014 Annual Statement</b>
<b>Admitted Assets</b>	\$ 76,404,141
<b>Liabilities</b>	\$ 75,193,081
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 78,718,081
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 2,313,940)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

[N.T. 12-13; Exhibit A; Exhibit D ¶ 14].

6. As of March 31, 2015, Lincoln's liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$3.26 million:

	<b>2015 1<sup>st</sup> Quarter Statement</b>
<b>Admitted Assets</b>	\$ 71,981,908
<b>Liabilities</b>	\$ 71,724,744
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 75,249,744
<b>Total Insolvency (line 1 – line 4)</b>	(\$ 3,267,836)
<b>(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)</b>	

[N.T. 12-13; Exhibit B; Exhibit D ¶ 17].

7. As of June 30, 2015, Lincoln's liabilities, plus any capital and surplus required by law, exceeded its admitted assets by more than \$ 10.4 million:

	<b>2015 2<sup>nd</sup> Quarter Statement</b>
<b>Admitted Assets</b>	\$ 65,623,796
<b>Liabilities</b>	\$ 72,557,651
<b>Required Capital and Surplus</b>	\$ 3,525,000
<b>Liabilities + Required Capital and Surplus</b>	\$ 76,082,651

Total Insolvency (line 1 – line 4)	(\$10,458,855)
(Admitted Assets minus sum of Liabilities and Required Capital and Surplus)	

[N.T. 12, 14; Exhibit C; Exhibit D ¶ 20].

8. As of year-end 2014 and during the first two quarters of 2015, Lincoln General's liabilities plus any capital and surplus required by law exceeded its admitted assets. [Findings of Fact 5-7].

**ORDER**

Accordingly, it is ORDERED that the petition is GRANTED, and Lincoln General Insurance Company is declared INSOLVENT. This order is effective immediately.



*Teresa D. Miller*

TERESA D. MILLER  
Insurance Commissioner

I hereby certify this document is a true and correct copy of the original on file with the Administrative Hearings Office of the Pennsylvania Insurance Department.

*Steven C. Kiser*  
Hearings Administrator



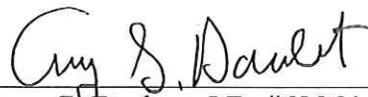
CERTIFICATE OF SERVICE

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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



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Amy G. Daubert, I.D. #62064  
Deputy Chief Counsel  
Jodi Frantz, I.D. #84727  
Department Counsel

Pennsylvania Insurance Department  
1341 Strawberry Square  
Harrisburg State Office Building No. 1  
Harrisburg, PA 17120  
(717) 787-2567

Dated: November 4, 2015