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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

LINCOLN GENERAL INSURANCE COMPANY

3501 Concord Road
P.O. Box 3709
York, PA 17402
Utah Co. Id. No. 1754

:
: **NOTICE OF INFORMAL**
: **ADJUDICATIVE PROCEEDING**
: **AND ORDER**
:
: **SUSPENSION OF CERTIFICATE**
: **OF AUTHORITY**
:
: **Docket No.** 2011-074 EX
:
: **Enf. Case No.** 2824
:
:

The Utah Insurance Department has commenced this informal adjudicative proceeding pursuant to Utah Code Annotated §§ 31A-2-201 and 63G-4-201 and Utah Administrative Code Rule R590-160. Based upon information contained in agency files or known to the Commissioner, the Commissioner makes the following:

FINDINGS OF FACT

1. The Respondent Lincoln General Insurance Company (“Lincoln General”) is an insurer domesticated in the State of Pennsylvania, holding a certificate of authority to do an

insurance business in the State of Utah, Utah Company Identification No. 1754.

2. A review of Respondent Lincoln General's 2010 Annual Statement showed that as of December 31, 2010, it had a total adjusted capital of <\$18,931,830.00>. The Authorized Control Level Risked Based Capital for Lincoln General was \$33,990,892.00. In order for Lincoln National to be above an action level event, it would require an infusion of capital of at least \$87,000,000.00, as of that date.

Having entered his Findings of Fact, the Commissioner now enters the following:

CONCLUSIONS OF LAW

1. Under Utah Code Annotated § 31A-14-217, whenever there would be grounds for delinquency proceedings under Chapter 27a of the Utah Insurance Code, if the foreign insurer were a domestic insurer, the commissioner may suspend the insurer's certificate of authority to do business in this state.

2. By having a negative total adjusted capital Respondent would be subject to delinquency proceedings under Chapter 27a of the Utah Insurance Code.

Based upon the forgoing Findings of Fact and Conclusions of Law, the Commissioner now enters the following:

ORDER

IT IS HEREBY ORDERED:

1. Respondent's Utah Certificate of Authority is suspended as of the date this Order becomes final. During the period of suspension of Respondent's Certificate of Authority, Respondent may service existing policies insuring Utah residents or covering risks in the State of Utah, and shall pay all claims according to the terms of those policies and according to Utah law.

2. Respondent shall not renew any policy insuring Utah residents or covering risks in the State of Utah, and shall not solicit, market, sell or place new policies of insurance in the State of Utah.

3. Respondent remains under the jurisdiction of the Utah Insurance Commissioner until released from regulation pursuant to the requirements of the Utah Insurance Code.

4. During the period of suspension of Respondent's Certificate of Authority, Respondent shall continue to file its Annual Statement and renewal of its Certificate of Authority.

5. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent in the offices of the department prior to that date. A written request for a hearing shall be signed by the person making the request and shall state the basis for the relief requested.

NOTIFICATION

If you request a hearing regarding this matter, the department will be represented by M. Gale Lemmon, Assistant Attorney General, 160 East 300 South, Fifth Floor, P.O. Box 140874, Salt Lake City, Utah 84114-0874, Telephone Number (801) 366-0375. Failure to request a

hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

You are further notified that a failure to obey an Order of the commissioner may subject you to further penalties, including forfeitures of up to \$5,000.00 per violation and the suspension or revocation of your license, or the filing of an action in District Court, which may impose forfeitures of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this ____ day of MAY 10 2011, 2010.

NEAL T. GOOCH
INSURANCE COMMISSIONER



MARK E. KLEINFELD
Presiding Officer
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3800

CERTIFICATE OF MAILING

I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

NOTICE OF INFORMAL
ADJUDICATIVE PROCEEDING
AND ORDER

SUSPENSION OF CERTIFICATE OF AUTHORITY

To the following:

Lincoln General Insurance Company
3501 Concord Road
P.O. Box 3709
York, PA 17402

DATED this 10th day of May, 2011

A handwritten signature in cursive script, reading "Linda Hardy", is written over a horizontal line.

Linda Hardy
Market Conduct
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901