

**BEFORE THE COMMISSIONER OF INSURANCE  
FOR THE STATE OF MISSISSIPPI**

**COMMISSIONER OF INSURANCE**

**PETITIONER**

**VERSUS**

**License No.: 9100029**

**NAIC No.: 33855**

**Cause No.: 10-6079**

**LINCOLN GENERAL INSURANCE COMPANY**

**RESPONDENT**

**AGREED ORDER TO SUSPEND LICENSE**

**THIS MATTER** was set before the Commissioner of Insurance ("Commissioner") for hearing on May 25, 2010, for the purpose of reviewing the financial condition of Respondent, Lincoln General Insurance Company. Upon review of this matter, the undersigned finds as follows:

I.

In accordance with Mississippi Code Annotated, Sections 83-5-17 and 83-6-39 (Supp. 1999), the Commissioner shall suspend or revoke the license of any insurer if the Commissioner finds that the insurer is in an unsound financial condition, insolvent, or impaired.

II.

On May 7, 2010, the Petitioner sent to the Respondent correspondence, via certified mail, advising that the Petitioner had received and reviewed the Respondent's December 31, 2009 Annual Statement and determined that the Respondent reported a surplus of (\$2,092,371.00). A minimum surplus of \$900,000.00 is required to be maintained by Respondent in accordance with Mississippi Code Annotated, Sections 83-21-3(3) and 83-19-31(1)(b); resultantly, the

Respondent was surplus impaired due to the fact that it failed to meet the minimum surplus requirements of Mississippi law.

### III.

On May 7, 2010, the Petitioner issued a Notice of Show Cause Hearing, via certified mail, to the Respondent scheduling a hearing for Tuesday, May 25, 2010, at 10:00 a.m., in the Offices of the Commissioner of Insurance for the State of Mississippi, 10<sup>th</sup> Floor, Woolfolk State Office Building, 501 North West Street, Jackson, Mississippi 39201. The purpose of this hearing was to provide the Respondent an opportunity to show cause why its license should not be suspended due to its failure to meet the minimum surplus requirements mandated by Mississippi law. This Notice of Show Cause Hearing advised the Respondent that in lieu of appearing at the hearing, the Respondent could waive same and elect to provide a written response to the Respondent prior to May 25, 2010.

### IV.

On May 17, 2009, the Respondent provided written notice to Petitioner of the following information:

- A. The Respondent is in the midst of a voluntary, solvent runoff and is currently operating under the guidance of a Letter Agreement with the Pennsylvania Insurance Department ("PID").
- B. Respondent has filed a Risk Based Capital Plan with the PID.
- C. One of Respondent's strategies to accomplish its voluntary, solvent runoff is to maintain all fifty of its state licenses.
- D. To date, Respondent maintains all fifty licenses; however, some licenses have been suspended (which is acceptable to Respondent), but no license has been revoked.
- E. Respondent believes that maintaining all fifty state licenses is in the ultimate, best interest of its policyholders.
- F. The Respondent agrees to a suspension of its Mississippi license.

IT IS, THEREFORE, ORDERED that License Number 9100029 is hereby fully **SUSPENDED**, effective immediately. This Order constitutes a suspension of Respondent's license to conduct business in the State of Mississippi pending a final determination by the Petitioner. No new business shall be conducted by the Respondent or any of its agents in the State of Mississippi throughout the duration of this suspension. It shall be the Respondent's responsibility to notify all agents of this suspension upon receipt of this Order.

ORDERED this the 21<sup>st</sup> day of June 2010.

Mark Haire  
MARK HAIRE  
DEPUTY COMMISSIONER OF INSURANCE

[Signature]  
LINCOLN GENERAL INSURANCE COMPANY  
TITLE: President  
DATE: 06/28/10