

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

**IN THE MATTER OF THE
CERTIFICATE OF AUTHORITY OF
LINCOLN GENERAL INSURANCE COMPANY**

A.I.D. NO. 2010- 041

ORDER OF SUSPENSION

Now on this day the matter of Arkansas Certificate of Authority No. 2458 of LINCOLN GENERAL INSURANCE COMPANY, NAIC No. 33855 ("Company"), a Pennsylvania-domiciled insurer, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Amanda Capps Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department ("Department") and by the Finance Division of the Department. From the facts, matters and other things before the Commissioner, he finds as follows:

1. The Commissioner has jurisdiction over the parties and the subject matter involved herein.
2. The Company is a property and casualty insurer domiciled in the Commonwealth of Pennsylvania and authorized to sell property, casualty (including workers' compensation), surety, marine, and accident and health insurance in the State of Arkansas.
3. The Company's total capital and surplus decreased by ninety-seven and three tenths percent (97.3%) in the fourth quarter of 2009 and its net income is negative one hundred thirty-five million, nine hundred thirty thousand, six hundred sixty-three dollars (-\$135,930,663).
4. On or about November 20, 2009, the Insurance Department of the Commonwealth of Pennsylvania filed suit against the Company's parent regarding the parent's intentions regarding the Company's financially hazardous condition.

5. On this date the Commissioner has determined that the causes as stated make it appropriate and expedient to suspend the Company's Arkansas Certificate of Authority.

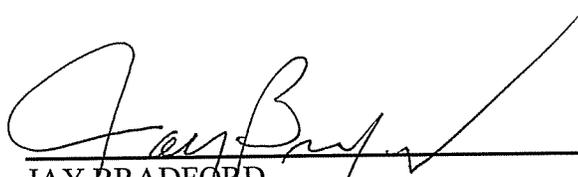
6. Pursuant to Ark. Code Ann. §§ 23-63-213(b), 23-63-214 and 23-63-215, the Commissioner hereby orders an immediate suspension of the Arkansas Certificate of Authority of Lincoln General Insurance Company. The suspension shall continue and remain in place until further order of the Commissioner.

7. The Company shall cease writing any and all new or renewal business in the State of Arkansas, and shall issue no new insurance policies or assume any risks located in Arkansas.

8. Pursuant to Ark. Code Ann. § 23-63-215(b)(1), during the period of this suspension, the Commissioner hereby waives the requirement that the Company file its annual statements and pay fees, licenses, and taxes as required under the Arkansas Insurance Code.

9. Pursuant to the waiver provisions of Department Rule 56, the Company's payment of the Rule 56 fee ("CFRF") is waived. Further, under the provisions of Department Rule 5, any anti-fraud assessments are hereby waived for the Company during the period of suspension.

IT IS SO ORDERED THIS 24th DAY OF MARCH 2010.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS