

Commonwealth of Pennsylvania
Office of Liquidations, Rehabilitations
and Special Funds



Statutory Liquidator
Of
LINCOLN GENERAL INSURANCE COMPANY

PLEASE KEEP THIS MATERIAL
PLEASE READ THIS MATERIAL IN ITS ENTIRETY

FAILURE TO FOLLOW THE CLAIMS
SUBMISSION INSTRUCTIONS HEREIN
WILL RESULT IN THE DENIAL OF YOUR CLAIM

Lincoln General Insurance Company Questions and Answers

Information Regarding the Liquidation of Lincoln General Insurance Company

The Commonwealth Court of Pennsylvania has declared Lincoln General Insurance Company (LINCOLN GENERAL) insolvent and has ordered the company into liquidation effective November 5, 2015. This booklet will help to answer frequently asked questions about making claims and the liquidation procedure.

The Office of Liquidations, Rehabilitations and Special Funds of the Pennsylvania Insurance Department has been assigned the responsibility of liquidating LINCOLN GENERAL. All questions concerning the liquidation should be directed to the Statutory Liquidator for LINCOLN GENERAL Insurance Company, Capitol Associates Building, 901 N. 7th Street, Harrisburg, PA 17102 (717)-787-7823.

1. What happens when a company becomes insolvent and is liquidated?

Liquidation is similar to bankruptcy. When a company is liquidated, the Insurance Department's Office of Liquidations, Rehabilitations and Special Funds gathers the company's assets and determines what liabilities, such as bills and claim payments, it has. The Statutory Liquidator then develops a plan to distribute the company's assets according to law and submits the plan to the Court for approval. The liquidation process is very complex and is expected to take many years.

Claims that are the responsibility of a guaranty association have been or will be forwarded to them as appropriate. LINCOLN GENERAL (In Liquidation) will handle valid claims that are pursued against the estate that are in excess of guaranty association limits or claims that are not covered by a guaranty association. Claims which are not covered by a guaranty association in whole or in part become claims against the LINCOLN GENERAL estate and will be paid at some time in the future to the extent funds are available.

2. You say LINCOLN GENERAL was ordered liquidated. Does this mean my policy is worthless?

No. Although this company has been placed into liquidation, the guaranty association in the state where you reside or where the property is situated may be obligated to provide coverage under insurance policies issued by LINCOLN GENERAL, subject to certain defenses and limitations. Coverage of your claim under a guaranty association law is determined by the guaranty association in accordance with its guaranty association act, not by the Liquidator. The appropriate guaranty association to which the claim will be presented and the defenses and limitations are also determined in the same manner. Any claim or portion thereof which is not covered by a guaranty association becomes a claim against the estate of LINCOLN GENERAL. The amount deemed to be an allowed claim, will be paid to the extent funds are available, on an equal basis with all other claims in the same category. These claims may be paid in full, in part or not at all, depending on the available assets. These claims will not be paid for several years.

3. Will my policy be canceled because of the liquidation?

A paid LINCOLN GENERAL policy or bond will terminate at its normal expiration, upon replacement or December 5, 2015 (30 days from the date of liquidation), whichever is soonest.

4. What is a guaranty association?

A guaranty association is an association of all insurers licensed to write property and casualty or life and health insurance in a state. Subject to statutory coverage, eligibility, defenses and claims payment limits of its guaranty association law, a guaranty association assumes the policyholder obligations of licensed insolvent insurers in that state for residents or property insured in that state. A guaranty association obtains funds to meet its obligations by assessing the member companies.

5. Since my company has been placed into liquidation, who will pay my claims?

Valid and substantiated claims incurred prior to the termination of the policy will be paid, where covered, by the appropriate guaranty association, subject to policy limits and the limits of the guaranty association. The Statutory Liquidator of LINCOLN GENERAL will forward your proof of claim to the appropriate guaranty association. Claims which are not covered by a guaranty association or portions of claims which exceed the statutory obligations of the guaranty association become claims against the estate of the company and will be paid at some time in the future to the extent funds are available.

6. Will my claims be paid in full by the guaranty associations?

All payments are subject to certain statutory limits contained in the various state laws creating the guaranty associations. In no case will payments exceed the applicable policy limits.

7. How long will it take for my claims to be paid by the guaranty association?

When a company is placed into liquidation, the guaranty associations are typically activated to pay claims as soon as the Court orders the liquidation. Claim payments usually begin within 90 days after the liquidation order is issued. However, the waiting period from the time of submission will vary based on the number of claims received, and the time claims are submitted.

If you are a policyholder or third party claimant and you currently have a claim pending with LINCOLN GENERAL, you need to complete and return the enclosed proof of claim as soon as possible. While your claim file has already been forwarded to the guaranty association, payments may be delayed by your failure to do so on a timely basis.

8. I have questions about what is and is not covered by the guaranty association. Who can answer these questions for me?

You can address your questions about your property and casualty guaranty association's responsibilities to the guaranty association in the state in which you reside. Some states have separate organizations which handle worker's compensation claims.

9. What do I do if I have a claim against a LINCOLN GENERAL insured?

You are a third party claimant if you have a claim against a LINCOLN GENERAL insured, which may be covered by the insured's insurance policy. You may either file a claim with the Statutory Liquidator or pursue legal action against the insured to attempt to recover on your claim. If you choose to file a claim with the Liquidator, filing of this claim shall operate as a release of the insured's liability to you on that cause of action up to the amount of applicable policy limits. If coverage is avoided by the Liquidator, this release becomes null and void. This release does not pertain to claims against a LINCOLN GENERAL bond.

10. I believe I have a claim against LINCOLN GENERAL, but I am not a policyholder or a third party claimant under the companies' policy. How do I make a claim?

Claims filed against LINCOLN GENERAL by general creditors, stockholders, trade creditors, governmental agencies, reinsurers, cedants, agents, employees, former officers and directors and other persons interested in the affairs of the company are handled by the Statutory Liquidator. To file a claim for monies owed to you by LINCOLN GENERAL, you should have filed a proof of claim form with the Statutory Liquidator no later than 5:00 p.m. EST, on July 6, 2016. If you failed to file a proof of claim form by that date, your claim may not be considered to be timely filed. Failure to file a timely claim may result in denial of your claim or consideration of your claim at a lower priority level.

11. How do I file a claim against LINCOLN GENERAL?

If you believe you have a claim against LINCOLN GENERAL, you must file a proof of claim with the Statutory Liquidator using the proof of claim form. Even if you have a claim already pending with LINCOLN GENERAL you must file a proof of claim. If your claim is a new claim, you should attach documentation to the proof of claim to document your claim. If your claim has already been submitted to LINCOLN GENERAL, you must complete the proof of claim form, but it is not necessary for you to attach additional documentation. If additional information is needed at a later date, you will be contacted.

If you have more than one claim against LINCOLN GENERAL, you may duplicate the proof of claim form to submit each claim separately.

A proof of claim form must contain the original signature of the claimant; a description of the claim and any security interest; whether collateral security or personal security is pledged in accordance with the terms of the policy; documentation of any payments made on the claim; and a statement that the amount is justly owed the claimant. If you require proof of claim forms, you may request them from the Statutory Liquidator at the address

below, or download them from the Department website: www.insurance.pa.gov. If you have more than one claim against LINCOLN GENERAL, you may duplicate the proof of claim form to submit each claim separately.

12. May I file a contingent claim?

Yes. Under Pennsylvania law a person may file a claim even if it is a "contingent claim." A "contingent claim" is one where the liability of the company is not yet determined or is dependent on the outcome of another event. In many of the lines of insurance LINCOLN GENERAL wrote, persons may have insurance coverage if an insured loss occurred during the policy period, regardless of when the claim was made against or was discovered by the insured. An insured under these types of "occurrence" policies may have claims made against them or have claims brought to their attention in the future, but the basis for the claim occurred during the policy period. Such claimants are entitled to file a claim at any time during the claim filing period. For maximum protection, a claimant should promptly file a proof of claim for a "contingent claim" that seeks to cover any claim that is unknown at this time but may arise under their policy at a later date. If you do so, you should file a separate proof of claim for each contingent claim. When such a claim arises the claimant should immediately inform the Liquidator of the particulars and supplement the proof of claim by providing documentation of the claim. These types of claims are also known as "policyholder protection claims" because a policyholder is claiming for the full protection afforded under the terms of their policy regardless of when they become aware of such claim. Contingent claims are not limited to only policy claims. If you file a contingent claim, complete Item 1 on the proof of claim form, and indicate in the space for Amount of Claim, "unknown."

13. What is the deadline for filing a claim?

The Commonwealth Court of Pennsylvania had established July 6, 2016 at 5:00 p.m. EST, as the deadline for receipt of claims against LINCOLN GENERAL. If you failed to file a proof of claim form by that date, your claim may not be considered to be timely filed. Failure to file a timely claim may result in denial of your claim or consideration of your claim at a lower priority level, depending upon consideration of "good cause" under the late claims provision of Article V of the Insurance Department Act of 1921. Some guaranty associations have an earlier deadline.

14. How do I request a Proof of Claim Form?

There are several ways to request a Proof of Claim form. They are:

Download:	www.insurance.pa.gov Click on Regulations, then Liquidations & Rehabilitations.
Request by E-Mail:	ra-in-daims@pa.gov
Request by Telephone:	(717) 787-7823
Request by Mail:	Statutory Liquidator for LINCOLN GENERAL, Capitol Associates Building, 901 N. 7 th Street, Harrisburg, PA 17102