



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services

Insurance Division
350 Winter St. NE, Room 440
PO Box 14480
Salem, OR 97301-0405
(503) 947-7980
FAX (503) 378-4351
TTY (503) 947-7280
www.oregoninsurance.org

April 19, 2007

Kenneth P. Provencher
President and CEO
PacificSource Health Plans
PO Box 7068
Eugene, OR 97401-0068

Re: Party: Pacific Hospital Association dba PacificSource Health Plans
Case No.: INS 03-08-022

Dear Mr. Provencher:

As you may recall, on May 23, 2005, we issued a stipulation and final order (order) assessing the party a civil penalty, and then suspending the civil penalty subject to the results of a follow up market conduct examination of the party. On June 14, 2005, we issued a corrected version of the order. The order stated that "If the Insurance Division finds that PacificSource complied with ORS 746.230(1)(d) during the period examined, then the civil penalty shall be withdrawn without further action by the director."

Subsequently, we conducted the follow up market conduct examination as of December 31, 2005 and issued a final report of the examination. The report found, in relevant part, that the party complied with ORS 746.230(1)(d) during the period examined.

Therefore, the civil penalty is withdrawn without further action by the director.

Thank you for your company's cooperation in this process.

If you have any questions or I can be of any other assistance, please contact me.

Sincerely,

Mitchel D. Curzon

Chief Enforcement Officer

Voice: 503-947-7235; Fax: 503-378-4351; E-mail: mitchel.d.curzon@state.or.us