

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Certificate of Authority of)	TERMINATION OF SUSPENSION
NATIONAL HEALTH INSURANCE COMPANY,)	AND REINSTATEMENT OF
Grand Prairie, Texas)	CERTIFICATE OF AUTHORITY
)	Case No. INS 04-03-010
)	

INTRODUCTION

National Health Insurance Company is a foreign stock life and health insurance company. On March 11, 2004, the Director of the Oregon Department of Consumer and Business Services (“Director”) suspended National Health Insurance Company’s certificate of authority. National Health Insurance Company has applied to the Director to terminate the suspension and reinstate its certificate of authority.

Therefore, pursuant to ORS 183.450 and ORS 183.470, the Director makes the following:

FINDINGS OF FACT

National Health Insurance Company (“National Health”) was organized under the laws of Texas on August 30, 1965. National Health was granted a Certificate of Authority in Oregon on August 13, 1981, to transact life and health insurance within the State of Oregon.

In September 2003, the Texas Department of Insurance (“Texas”) issued to National Health a “Confidential Order Creating State of Suspension and Appointment of Supervisor.” This Order expired in March 2004, at which time Texas issued to National Health a “Confidential Order of Conservatorship and Appointment of Conservator” (“Order”). The Order expired in December 2004 and National Health was released from Conservatorship. At that time, National Health consented to be

placed under an Article 1.32 Order to facilitate the completion of National Health's rehabilitation.

The Director issued a Suspension Order on March 11, 2004 (Case No. INS 04-03-010) because National Health did not maintain at least \$2.5 million in Capital and Surplus as required by ORS 731.554(1). An Amended Suspension Order was issued on May 18, 2004 allowing National Health to renew existing policies during the period of suspension.

On October 2, 2008, Texas released National Health from the Article 1.32 Order.

On January 27, 2009, National Health filed documents with the Director regarding its current financial and operational status and requested the Director terminate the suspension of National Health and reinstate its certificate of authority. Financial statements filed with the Director reflect that as of December 31, 2008, National Health possessed policyholder surplus of \$16,860,910.

National Health's certificate of authority in the State of Oregon has not expired during the period of suspension.

ULTIMATE FINDINGS OF FACT

National Health possesses capital and surplus of more than \$2,500,000 as required by ORS 731.554(1).

The Director determines that the cause of the suspension has terminated as provided in ORS 731.426(1).

CONCLUSIONS OF LAW

National Health meets the requirements for a certificate of authority.

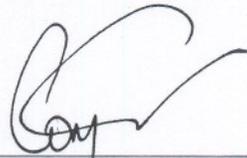
The Director may terminate the suspension and reinstate the certificate of authority pursuant to ORS 731.426(4).

ORDER

The Director hereby terminates the suspension of, and reinstates, the certificate of authority issued to National Health pursuant to ORS 731.426(1).

The authority of National Health's agents to represent it in Oregon is also reinstated pursuant to ORS 731.426(5).

Issued the 23rd day of April, 2009.



Cory Streisinger
Director
Insurance Commissioner
Department of Consumer and Business Services

RIGHT TO A HEARING

The party has the right to a hearing pursuant to ORS 183.415. A party may request a hearing by sending a written request to the Insurance Division. A party may send the request to the Insurance Division by delivering it to the Labor and Industries Building, 350 Winter Street NE, Salem, Oregon; or mailing it to PO Box 14480, Salem, OR 97309-0405, or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us. The Insurance Division must *receive* the request within 21 days from the date this notice was *sent* to the party.

If the Insurance Division receives from or on behalf of a party a written request for a hearing by the due date described above, then the Insurance Division will refer the request to the Office of Administrative Hearings (OAH). OAH will schedule the hearing and notify the party of the date and location of the hearing and other related information. OAH will conduct the hearing in accordance with the Oregon Administrative Procedures Act, ORS Chapter 183; and related rules, Oregon Administrative Rules (OAR) 137-03-0502 *et seq.* A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law. Subsequently, OAH will issue a proposed order, and the Director will issue a final order.

If the Insurance Division does not receive from or on behalf of a party a written request for a hearing by the due date described above; or a party that has timely requested a hearing withdraws the request, notifies the Insurance Division or OAH that the party will not appear at a hearing, or does not appear at a scheduled hearing, then the Director will issue a final order by default taking the action proposed therein. If the Director issues a final order by default, then the record of this proceeding to date, including the designated portion of the Insurance Division's file on the party, automatically become part of the contested case record for the purpose of proving a *prima facie* case.