



PHP submitted a financial statement each month since the Order to Cure Impairment was issued that reflected capital and surplus below \$2,500,000. On December 9, 2010, PHP submitted a financial statement as of November 30, 2010, that reflected capital and surplus totaling \$541,331. This level of capital and surplus is below the statutory minimum of \$2,500,000 so PHP continues to be impaired.

PHP did not increase its capital and surplus above the statutory minimum of \$2,500,000 during the period of supervision.

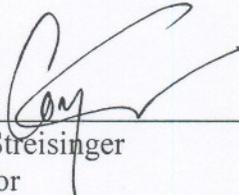
PHP paid policyholder obligations during supervision. The company paid claims through May 19, 2010. There have been no valid claims submitted for payment since that date. PHP management believes all policyholder obligations have been satisfied.

On Monday, December 13, 2010, PHP submitted a request to withdraw its authority to transact insurance pursuant to ORS 731.410 and ORS 731.512 and a Subordinated Surplus Note Conversion Agreement to cancel the existing Subordinated Surplus Notes with respect to unpaid principal and all accrued and outstanding interest.

The director approves PHP's request to withdraw its authority to transact insurance in this state pursuant to ORS 731.512 and cancelation of outstanding surplus notes.

Accordingly, the supervision of PHP is terminated.

DATED this 14<sup>th</sup> day of December, 2010.

  
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Cory Streisinger  
Director  
Department of Consumer and Business Services