

Order Requiring Abatement of Conditions

Pursuant to ORS 731.385, 734.043, and 734.047(1) the Director hereby notifies ZHP of and orders ZHP take the following actions to correct, eliminate, or remedy the conditions set forth above:

ZHP will suspend the business being accepted or renewed, under a plan approved by the Commissioner on or before April 28, 2017;

ZHP will budget its operations to eliminate unnecessary or excessive expenses.

On or before April 28, 2017, ZHP will have legally enforceable commitments for an infusion of sufficient capital to ensure its aggregate capital and surplus is equal to an amount that the Commissioner determines is sufficient to support its 2017 business, from sources fully familiar with its financial condition and the risk of investment in the company.

No later than Friday April 21, 2017, ZHP will submit a business plan acceptable to DCBS that clearly demonstrates how ZHP can meet its obligation to policyholders and other creditors through the December 31, 2017 policy year, without need for further capital infusions.

Order Appointing Supervisor

Pursuant to ORS 734.043, the Director hereby orders that commencing at 4pm PDT on Wednesday, April 5, 2017, for a period of 60 calendar days (subject to extension under ORS 743.047(2)), ZHP is under the supervision of the Director, that the Director is applying ORS 734.043 to 734.055 and OAR Chapter 836 Division 13 in conducting said supervision, and that the Director appoints Laura Cali Robison, Insurance Commissioner, as the special deputy director to act for the Director as supervisor of ZHP with authority to employ such counsel, clerks, and assistants as she deems necessary. The Insurance Commissioner may further, in her sole discretion, delegate this appointment, or any portion thereof, in writing to any person. ZHP must be provided with a copy of any such delegation. The compensation of the special deputies,

counsel, clerks or assistants and all expenses of taking possession of ZHP and of conducting the supervision proceedings shall be paid out of the funds or assets of ZHP.

Order Prohibiting Actions by ZHP

Pursuant to ORS 734.043(5), the Director hereby orders that ZHP, its directors, officers, agents and employees, and all others affiliated with ZHP, are prohibited from taking any of the following actions without prior written approval of the supervisor:

1. Disposing of, conveying or encumbering any of ZHP's assets or its business in force;
2. Withdrawing from any of ZHP's bank accounts;
3. Lending any of ZHP's funds;
4. Investing any of ZHP's funds;
5. Transferring any of ZHP's property;
6. Incurring any debt, obligation or liability on behalf of ZHP;
7. Merging or consolidating ZHP with any other insurer or person;
8. Entering into any new reinsurance contract or treaty on behalf of ZHP;
9. Approving any new premium or renewing any policies of ZHP;
10. Terminating, surrendering, forfeiting, converting or lapsing any insurance policy, certificate or contract, except for nonpayment of premium due;
11. Releasing, paying or refunding premium deposits, unearned premiums, or other reserves on any insurance policy, certificate or contract;
12. Making any material change in management to ZHP;
13. Increasing salaries and benefits of officers or directors of ZHP;
14. Making or increasing preferential payment of bonuses, dividends or other payments determined by the supervisor to be preferential; and/or

15. Any other action affecting the business or condition of ZHP, including but not limited to:
 - a. Alterations or cancellation to the current Administrative Service Agreement
 - b. Changes in access to books, records and current office space.

The Director orders that ZHP, its directors, officers, agents and employees shall not engage in any of the above acts without prior written approval of the supervisor. If permitted by the supervisor, the following classes of disbursements may be made without prior individual approval: the payment of claims obligations arising from ZHP's insurance policies, related claim adjusting expenses, payroll and related benefits (but not including severance payments or other payments described above), taxes and other obligations to governmental entities (but not including payments on loan agreements).

DATED this 5th day of April, 2017.



Patrick Allen, Director

Notice of Right to Hearing Before the Director

Pursuant to ORS 731.385(3) and 734.043(7), ZHP may during the period of supervision file a written request for a hearing to review this order with the Division of Financial Regulation. Such request will not stay the effect of the order. ZHP must specify in its request the manner in which the action complained of would not result in improving the condition of ZHP. If requested, a hearing will be held within 30 days after the filing of the request before the director. The director will notify ZHP of the procedures, time, and place of the hearing. The director shall complete the review within 30 days after the record for the hearing is closed, and shall discontinue the action taken under this order if the director determines that none of the conditions giving rise to the action exists. ORS 731.385(3) and 734.043(7).

ZHP CONSENTS TO THIS ORDER OF IMMEDIATE SUPERVISION:

ZHP, by



Signature, Title, Date

Dave Sanders, CEO + President
April 5, 2017