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OFFICE OF
INSURANCE COMMISSIONER

2012 APR 19 P 12:04

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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)	
)	No. 11-0279
THE MEGA LIFE & HEALTH)	
INSURANCE COMPANY; MID-WEST)	ORDER TERMINATING
NATIONAL LIFE INSURANCE)	PROCEEDINGS
COMPANY OF TENNESSEE; and THE)	
CHESAPEAKE LIFE INSURANCE)	
COMPANY)	
_____)	

TO: Susan E. Dew, Sr. Vice President, Deputy General Counsel
And Chief Compliance Officer
HealthMarkets
9151 Boulevard 26
North Richland Hills, TX 76180

Timothy J. Parker, Esq.
Jason W. Anderson, Esq.
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Andrea L. Philhower, Staff Attorney, Legal Affairs Division
James Odiorne, Deputy Commissioner, Company Supervision
Office of the Insurance Commissioner
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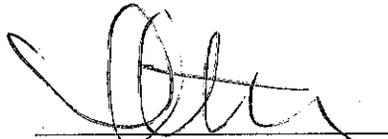
On November 28, 2011, the Insurance Commissioner ("OIC") received a Demand for Hearing by letter from Susan E. Dew, Senior Vice President, Deputy General Counsel and Chief Compliance Officer for HealthMarkets, on behalf of The MEGA Life & Health Insurance Company, Mid-West National Life Insurance Company of Tennessee and The Chesapeake Life Insurance Company (the Companies). The demand for hearing was made pursuant to RCW 48.37.060(12)(c) which provides that an insurance company may request a hearing if it has objections to a market conduct examination report prepared by the OIC prior to the report being filed for public inspection. In their demand, the Companies stated objections to and asserted there were inaccuracies in a Draft Multi-State Market Conduct Examination Report concerning the Companies.

On December 8, 2011, the undersigned held a first prehearing conference in this matter. Susan E. Dew, Esq., appeared representing the Companies and Andrea L. Philhower, Esq., Staff Attorney in the Commissioner's Legal Affairs Division, appeared representing the Commissioner. At that time, the parties agreed that the hearing should commence on January 9, 2012, and it was so ordered by the undersigned. On December 12, 2011, a Notice of Appearance was filed with the undersigned advising that the Companies would be represented by Timothy J. Parker, Esq. and Jason W. Anderson, Esq. of Carney Badley Spellman, P.S. At the same time, the Companies filed an Amended Demand for Hearing requesting that the case be assigned to the Office of Administrative Hearings (OAH) and on December 20, 2011 the case was so assigned and the file transferred to OAH. Subsequently, at the joint request of the parties, the OAH judge assigned to the case continued the hearing date originally scheduled for January 9, 2012. On March 29, 2012, the Companies filed a Notice of Withdrawal of Request for Hearing. The Companies are no longer contesting the adoption of the Report of Examination. There are no settlement documents or other agreements between the parties.

Based upon the above activity,

IT IS HEREBY ORDERED that this proceeding, Docket No. 11-0279, is hereby dismissed with prejudice.

Entered this 19th day of April, 2012, at Tumwater, Washington, pursuant to Title 48 RCW, Title 34 RCW and regulations pursuant thereto.



PATRICIA D. PETERSEN
Chief Hearing Officer

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Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Susan E. Dew, Esq., Timothy J. Parker, Esq. and Jason W. Anderson, Esq., Mike Kreidler, Mike Watson, James Odiorne, Carol Sureau, and Andrea L. Philhower.

DATED this 19th day of April, 2012.


KELLY A. CAIRNS