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OFFICE OF
INSURANCE COMMISSIONER

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HEARINGS UNIT
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Chief Presiding Officer

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Chief Presiding Officer
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NOTICE OF RECEIPT OF DISCLAIMER OF CONTROL FILING

To: M. Jonathan Hensley, President
Regence BlueShield
P.O. Box 21267
Seattle, WA 98111-3267

From: Patricia D. Petersen, Chief Presiding Officer *PD*

Date: April 5, 2013

Hearing: **Disclaimer of Control filing re Qliance dated January 25, 2013;**
Docket No. 13-0114

This is to advise you that the Hearings Unit has received and filed your disclaimer of control filing made pursuant to RCW 48.31C.010(3) and 48.31C.040(10) concerning Regence BlueShield's current ownership of Qliance preferred stock.

In approximately five working days, you will be contacted by the Hearings Unit to schedule a date for the prehearing conference in this matter. This prehearing conference, which will be held by telephone, will include: 1) you, and/or your representative if you wish; 2) the individual who will be representing the Insurance Commissioner in this matter; and 3) Chief Presiding Officer Patricia D. Petersen. The purpose of the prehearing conference is to discuss basic procedure to be followed before, during and after the hearing, as well as any issues or concerns which have arisen or which you believe will arise in your preparation for the hearing. All stages of the hearing process, including the prehearing conference, are public and any interested party(ies) may participate either over the telephone upon request made to the Hearings Unit, or in person.

For your information, we have included a brief outline of hearing procedure below.

If you have any questions concerning this Notice or the prehearing conference to be scheduled, please contact Kelly Cairns, Paralegal, Hearings Unit, at the above telephone number or address.

Mailing Address: P. O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

HEARING PROCEDURES - OFFICE OF THE INSURANCE COMMISSIONER

The following is a brief summary of hearing procedure. Following the prehearing conference referred to above, a Notice of Hearing will be entered advising you of the date scheduled for the hearing. The specific rules which govern the hearing procedure, which include many more details, can be found primarily at Chapter 34.05 RCW (the Administrative Procedure Act) and Chapter 10-08 WAC. Your hearing will be presided over by the Chief Presiding Officer. It will be conducted in a fairly formal manner; however, pursuant to the mandate of the Administrative Procedure Act it will be as flexible as possible to accommodate the needs of the parties and any witnesses which may appear. You will be allowed to submit documents to support your version of the facts. Testimony may also be presented in the form of live witnesses, including the parties themselves; also, if requested, witnesses are allowed to testify over the telephone at the discretion of the Chief Presiding Officer.

The hearing is normally conducted in three parts. First, each party presents an opening statement summarizing what they intend to prove. Second, each party presents its case-in-chief, which includes presentation of documents and testimony, subject to cross examination by the opposing party. Third, the hearing concludes with each party presenting closing arguments summarizing what they believe they have proven factually and how those facts apply to the subject statutes and/or regulations.

The Chief Presiding Officer is an individual who has not had any involvement with this case. The Chief Presiding Officer is responsible for all stages of this administrative proceeding before, during and after the hearing, and will conduct the case and make the final decision without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. The Chief Presiding Officer's final decision is appealable only to the Superior Court and not to another administrative official or tribunal.

Please note that, pursuant to General Rule 24, Washington Rules of Court, attorneys representing individuals or entities in Washington State adjudicative proceedings such as this, need not be licensed as an attorney in Washington State.