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Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

July 19, 2007

VIA E-MAIL AND FIRST CLASS MAIL

State of Washington
Office of Insurance Commissioner
Hearings Unit
Patricia D. Petersen, Chief Hearing Officer
5000 Capitol Boulevard
Olympia, Washington 98501

Attention: Wendy Galloway, Paralegal
WendyG@OIC.WA.GOV

Re: United HealthCare Insurance Company
Demand for Hearing-Assignment of ALJ Outside Agency-Stay of Threatened
Action

Dear Judge Petersen:

As you are aware, this firm represents United HealthCare Insurance Company ("United"). United is a licensed life and disability insurance carrier. This letter is submitted as a courtesy and does not constitute a waiver or withdrawal of our ongoing request pursuant to RCW 48.04.010(5), for a hearing presided over by an administrative law judge assigned under chapter 34.12 RCW. We respectfully reiterate and reassert our request for such assignment, which is not contested by OIC.

Subject to our ongoing reservation of rights to have this matter assigned through the Office of Administrative Hearings ("OAH"), this letter responds as a courtesy to your request that we submit a written explanation for our reluctance to provide you with a copy of the Office of Insurance Commissioner ("OIC") proposed consent order that includes a provision imposing a fine upon United (the, "Consent Order").

Subsequent to your request, on July 18, 2007, OIC filed a "Notice of Intent to Request Imposition of a Fine" in this matter. Although we vigorously dispute allegations and conclusions reflected therein, OIC's Notice of Intent appears to satisfy your request for written evidence of a threatened action by OIC for purposes of justifying transfer to OAH for assignment of an administrative law judge from outside OIC. Accordingly, this letter only

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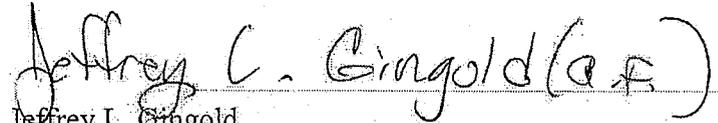
summarily responds to your question as the issue concerning production of the Order now appears to be moot.

We are reluctant to submit the Order because it is an ER 408 settlement offer. It has been undisputed by Mr. Brown on behalf of OIC, and by me on behalf of United, that OIC provided the Draft Consent Order to United, that it reflects OIC's intent to impose a fine, and that it constitutes a threatened action entitling United to a hearing. Furthermore, submission of the Order itself is not a prerequisite to entitlement to a hearing under current statutes, rules, or posted OIC instructions.¹

I hope you find this information responsive to your question.

Very truly yours,

LANE POWELL PC



Jeffrey L. Gingold
Shareholder

JLG:af

cc: Charles D. Brown, Esq.

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¹ See: <http://www.insurance.wa.gov/hearings/hearingsunit-faq.asp>;
<http://www.insurance.wa.gov/hearings/hearingsunit-forms.asp>;
<http://www.insurance.wa.gov/hearings/forms/demandforhearingexample.htm>.