

STATE OF WASHINGTON

Phone: (360) 725-7000

MIKE KREIDLER
STATE INSURANCE COMMISSIONER



OFFICE OF
INSURANCE COMMISSIONER

HEARINGS UNIT
Fax: (360) 664-2782

FILED

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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 of a true copy of this document to parties listed below.
DATED this 8th day of Oct. 2007 at Tumwater, Washington.

Signed: Wendy Galloway

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer
Wendy Galloway
Paralegal
(360) 725-7002
Wendyg@oic.wa.gov

October 8, 2007

Clifford W. Klima, President
LifeWise Health Plan of Arizona
Post Office Box 327
Seattle, Washington 98111-0327

Barbara Allan Shickich, Esq.
Riddell Williams P.S.
1001 Fourth Avenue, Suite 4500
Seattle, Washington 98154-1192

James T. Odiorne, Deputy Commissioner, Company Supervision Division
Marshall McGinnis, Company Licensing Manager, Company Supervision Div.
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Andrea Philhower, Staff Attorney, Legal Affairs Division
Office of the Insurance Commissioner
Post Office Box 40255
Olympia, Washington 98504-0255

SUBJECT: In the Matter of the Redomestication of LifeWise Health Plan of Arizona, Inc.
Docket No. G07-0299

Dear Parties:

On August 17, 2007, LifeWise Health Plan of Arizona, Inc. (LifeWise) by and through its attorney, Barbara Allan Shickich, Esquire of Riddell Williams P.S. of Seattle, Washington, filed an Application for Redomestication. On August 29, 2007, the Washington State Insurance Commissioner (Commissioner), appearing pro se by and through Andrea Philhower, Staff Attorney in his Legal Affairs Division, filed a request for hearing with the undersigned to commence this proceeding in accordance with RCW 48.07.210.



First, the undersigned has been advised, through filings made by the parties, that LifeWise's filings made in this matter have not yet been determined by the Commissioner to be complete, and therefore the proceeding is not ripe to be commenced at this time. It is the expectation of the undersigned that the Commissioner will advise the undersigned, by appropriate filing with copy distributed at the same time to LifeWise, when he has determined that said filing is complete.

Second, although no company has ever requested OAH involvement in any proceeding of this type, it appears that Ms. Shickich, counsel for LifeWise, is requesting OAH involvement. If LifeWise does request OAH involvement at the time the Commissioner determines the file to be complete and the proceeding is ripe to commence, I will use discretion to refer this matter to OAH. It may be helpful to advise you of your options and their consequences:

1. If LifeWise does not request an initial (recommended) decision from OAH first, then the undersigned will hold a prehearing conference within 5 days to include all parties to discuss all substantive and procedural questions and concerns of the parties. The filing will be reviewed by the undersigned and the undersigned will enter a Notice of Hearing on the date the prehearing conference was held. Said Notice, which must contain specific detailed information to meet adequate notice requirements, shall be distributed to the public upon entry, and shall schedule the hearing to commence normally two weeks after entry so that proper notice to the public will have been given. Finally, the undersigned shall conduct the hearing and enter a Final Findings of Facts, Conclusions of Law and Order within one week. Said Final Findings of Facts, Conclusions of Law and Order shall be drafted and entered entirely by the undersigned and is not subject to any review or input from the Commissioner or his staff except as will be submitted at formal hearing which includes all parties, and with the right of cross examination. All parties have the right to appeal said Final Findings of Facts, Conclusions of Law and Order to Superior Court.

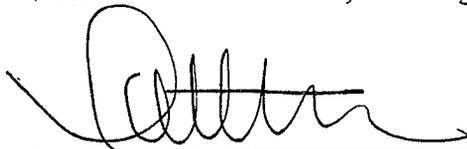
2. If LifeWise requests an initial (recommended) decision from OAH first, the undersigned, in her capacity as Chief Hearing Officer with responsibilities mandated by WAC 284-02-020, will hold a prehearing conference within 5 days to include all parties to discuss procedure to be expected and respond to any procedural questions of the parties. Then the undersigned will use her discretion to send the file to OAH. Within typically one month, OAH will conduct a prehearing conference to discuss procedural and substantive matters and will enter a Notice of Hearing, scheduling the hearing to commence typically within four months. The Commissioner will then receive a copy of said Notice, ascertain whether it contains the specific detailed information to meet adequate notice requirements, and will publish the Notice to the public for a minimum of two weeks. (This is a time saving measure, because - never having conducted such a proceeding as this - OAH has never issued such a Notice in such a proceeding; therefore it might be that when I receive the file back from OAH I would not be able to make the required determination that the Notice to the public is adequate, and if it is not then the process will have to begin all over again.) OAH will then conduct the hearing and, within 90 days pursuant to Title 34 RCW, enter its Initial Findings of Facts, Conclusions of Law and Order. At that time, said Initial Findings of Facts, Conclusions of Law and

Order will be transferred back with the hearing file to the undersigned. The undersigned will then, within 90 days pursuant to Title 34 RCW, review the transcript of the proceeding, the entire hearing file and the Initial Findings of Facts, Conclusions of Law and Order. This review will include providing the parties the right to present additional argument and/or briefs if necessary. After this review, the undersigned will enter Final Findings of Facts, Conclusions of Law and Order in the matter, with the authority to change any portions of the Initial Findings of Facts, Conclusions of Law or Order as necessary. As above, the parties have the right to appeal said Final Order to Superior Court.

In any case, under either option, no authority to redomesticate, if granted, will be effective until after entry of Final Findings of Facts, Conclusions of Law and Order:

I trust that the above information is helpful to the parties, and at the point that the Commissioner indicates that the LifeWise filing is complete, as above, I will schedule a prehearing conference to include all parties. As above, the purpose of said prehearing conference will be to discuss procedure to be expected and to affirm that the case is ready for commencement.

ENTERED at Tumwater, Washington this 8th day of October, 2007.



PATRICIA D. PETERSEN
Chief Hearing Officer