

APR 14 2004

DEPT OF INSURANCE
BY CS

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of)
)
 NATIONAL HEALTH)
 INSURANCE COMPANY)
 (NAIC No. 82538))
)
 Respondent.)
 _____)

Docket No. 04A-062-INS

ORDER SUMMARILY SUSPENDING
CERTIFICATE OF AUTHORITY
AND NOTIFICATION OF RIGHTS

The Arizona Department of Insurance (the "Department") alleges that National Health Insurance Company ("Respondent") has violated provisions of Arizona Revised Statutes ("A.R.S."), Title 20.

FINDINGS OF FACT

1. Respondent National Health Insurance Company ("Respondent") is domiciled in Texas and presently holds a certificate of authority issued by the Arizona Department of Insurance ("Department") to transact life & disability insurance.

2. Respondent's Annual Statement for the year ended December 31, 2003, reported a negative surplus of (\$7,919,536), which is less than the minimum free surplus of \$100,000 Respondent is required to maintain in accordance with A.R.S. §20-211, and which represents an adverse finding with respect to the financial condition of the Respondent within the meaning of A.A.C. R20-6-308(A)(1).

3. In light of the serious nature of these allegations, the Director of Insurance for the State of Arizona ("Director") finds that the public health, safety and welfare imperatively require emergency action, within the meaning of A.R.S. §41-1092.11(B).

1 **CONCLUSIONS OF LAW**

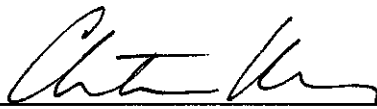
2 4. Respondent is in unsound financial condition or in such condition as to render its
3 further transaction of insurance in this state hazardous to the policyholders or to the people of
4 this state, within the meaning of A.R.S. §20-220(A)(3) and A.A.C. R20-6-308.

5 5. Respondent no longer meets the requirements for the authority originally
6 granted, on account of deficiency in assets or otherwise, within the meaning of A.R.S. §20-
7 219(2).

8 **ORDER**

9 IT IS ORDERED summarily suspending the Arizona certificate of authority held by
10 Respondent and prohibiting the issuance of new and renewal insurance, except for the
11 renewal of guaranteed renewable policies that are required by law to be renewed, effective
12 immediately.

13 DATED this 13th day of April 2004.

14 
15 _____
16 CHRISTINA URIAS
17 Director of Insurance

18 **NOTIFICATION OF RIGHTS**

19 **You have the right to request a hearing on this determination by filing a notice of**
20 **appeal after your receipt of this notice.** The notice of appeal must identify the party
21 appealing, the party's address, the matter being appealed and must contain a detailed
22 statement of the reason for the appeal. Your hearing will be treated as a "contested case" and
23 promptly instituted and determined as prescribed by A.R.S. §§41-1001(4), 41-1092.11(B) and


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