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**FILED**  
**MAY 07 2010**  
Department of Insurance  
State of Idaho

*Attorneys for Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:	)	
	)	Docket No. 18-2529-09
MEGA LIFE AND HEALTH	)	
INSURANCE COMPANY	)	<b>STIPULATION AND ORDER</b>
	)	
Certificate of Authority No. 1545	)	
NAIC No. 97055	)	
_____	)	

**STIPULATION**

COMES NOW the Idaho Department of Insurance (“Department”), by and through its counsel, Thomas A. Donovan, Deputy Attorney General, and Georgia Siehl, Company Activities Bureau Chief and Chief Examiner, and MEGA LIFE AND HEALTH INSURANCE COMPANY (“MEGA”), by and through its undersigned authorized representative, and hereby stipulate and agree as follows:

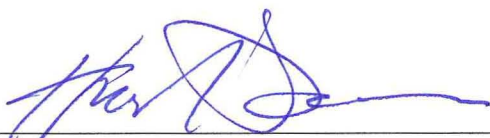
1. MEGA, an Oklahoma corporation, is duly authorized as an insurer by the State of Idaho, holding Certificate of Authority No. 1545, and is therefore subject to the

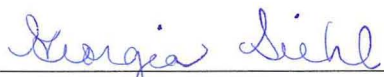
provisions of Title 41, Idaho Code, and to the Rules and Regulations of the Department promulgated there under. MEGA holds NAIC No. 97055.

2. From August 13, 2007, for new policies, and October 1, 2007, for insurance policy renewals, MEGA implemented revised rates for its CareOne series insurance plans with respect to case characteristics for age that affected males age 50-55 and dependent children ages 0-2 and over 15 that were not filed with and approved by the Department as required by Idaho Administrative Code (“IDAPA”) 18.01.72.036.
3. MEGA identified 544 policies representing all insureds that paid rates exceeding those approved by the Department based upon the revised case characteristics for age as described in paragraph 2. MEGA has provided the Department with a list of those 544 policies.
4. MEGA will refund any overpayment to those insureds described in paragraph 3 within ninety (90) days of entry of the attached order. The total amount of all refunds for the 544 policies will be approximately \$20,274.88. MEGA has obtained the Department's approval for the cover letter to insureds that will accompany the premium refunds. MEGA agrees to certify its compliance with the terms of this paragraph to the Department, including detail of the amount of refund paid to each policyholder, no later than 28 days following its completion thereof, but in no event later than 118 days from the date of the entry of the attached order.
5. In exchange for refunding overpayments as described in paragraph 3, the Department agrees not to seek to impose upon MEGA administrative penalties for these deviations from administrative rules.

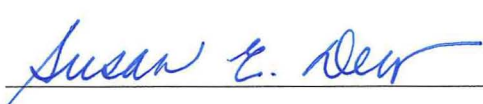
6. The parties agree that the terms of this Stipulation are appropriate and proper under the circumstances referenced herein, and that they have entered into this Stipulation knowingly, voluntarily, and with full knowledge of any rights they may be waiving thereby. Additionally, the parties hereby waive the rights to seek reconsideration and judicial review of the attached order.

DEPARTMENT OF INSURANCE  
STATE OF IDAHO

  
\_\_\_\_\_ Dated this 7<sup>th</sup> day of May 2010.  
By: THOMAS A. DONOVAN  
Deputy Attorney General

  
\_\_\_\_\_ Dated this 7<sup>th</sup> day of May 2010.  
By: GEORGIA SIEHL  
Bureau Chief, Company Activities / Chief Examiner

MEGA LIFE AND HEALTH INSURANCE COMPANY

  
\_\_\_\_\_ Dated this 4<sup>th</sup> day of May 2010.  
By: SUSAN DEW  
Its: Senior Vice President and Chief Compliance Officer

**ORDER**

IT APPEARING FROM THE FOREGOING THAT GOOD CAUSE EXISTS, IT IS HEREBY ORDERED that the foregoing Stipulation of the parties is adopted and accepted in full and incorporated herein by reference, including the relief agreed to by the parties, with which MEGA LIFE AND HEALTH INSURANCE COMPANY is ordered to comply, effective as of the date executed by the Director.

DATED this 7<sup>th</sup> day of May 2010.

  
\_\_\_\_\_  
WILLIAM W. DEAL, Director  
Idaho Department of Insurance

**CERTIFICATE OF SERVICE**

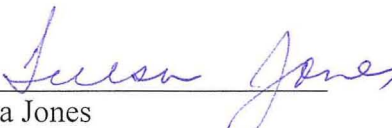
I HEREBY CERTIFY that I have on this 7<sup>th</sup> day of May 2010, caused a true and correct copy of the foregoing document to be served upon the following by the designated means:

Susan Dew  
Senior Vice President  
Mega Life and Health Insurance Company  
9151 Boulevard 26  
North Richland Hills, TX 76180

- first class mail
- certified mail
- hand delivery
- via facsimile

Thomas A. Donovan  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State St., 3<sup>rd</sup> Floor  
Boise, ID 83720-0043

- first class mail
- certified mail
- hand delivery
- via facsimile

  
\_\_\_\_\_  
Teresa Jones  
Assistant to the Director