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FILED

NOV 03 2010

Department of Insurance  
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE  
STATE OF IDAHO**

In the Matter of:

PRINCIPAL LIFE INSURANCE  
COMPANY,

Certificate of Authority No. 154  
NAIC ID No. 61271.

Docket No. 18-2649-10

**ORDER GRANTING REQUEST FOR  
BLOCK NON-RENEWAL AND FOR  
WITHDRAWAL FROM THE GROUP  
MEDICAL BENEFIT PLAN MARKET**

WHEREAS, PRINCIPAL LIFE INSURANCE COMPANY ("PRINCIPAL LIFE") submitted to the Idaho Department of Insurance, by letter dated October 13, 2010, its request for permission to block non-renew, effective on or after June 1, 2011, all of its group medical benefit plans consisting of six (6) group policies pursuant to Idaho Code § 41-4707(1)(h), and its intent to discontinue the offering of all group medical benefit plans in Idaho effective December 1, 2010;

WHEREAS, PRINCIPAL LIFE has represented to the Department that it will continue to service all of its existing group medical benefit policies until such time as the policies would be

due for renewal, which is on or after June 1, 2011;

WHEREAS, PRINCIPAL LIFE has indicated that it will provide reasonable notice of not less than one hundred eighty (180) days to policyholders affected by the non-renewals sought and allowed by this order;

WHEREAS, in light of Idaho Code §§ 41-1841 and 41-4707, good cause appearing therefor;

NOW, THEREFORE, IT IS HEREBY ORDERED that PRINCIPAL LIFE is allowed, pursuant to Idaho Code §§ 41-1841 and 41-4707(1)(h), to effectuate a block non-renewal of its group medical benefit plans in Idaho, which action will affect six (6) policies all of which are small employer plans, beginning no sooner than June 1, 2011. PRINCIPAL LIFE is to provide reasonable notice of not less than one hundred eighty (180) days to policyholders affected by the non-renewals allowed by this order in accordance with the policies and Idaho Code § 41-4707;

IT IS HEREBY FURTHER ORDERED that, pursuant to Idaho Code § 41-4707(1)(h), PRINCIPAL LIFE is permitted to withdraw from the group medical benefit plan market in Idaho effective December 1, 2010;

IT IS HEREBY FURTHER ORDERED that PRINCIPAL LIFE is prohibited from offering and writing any new business in the group medical benefit market in Idaho prior to October 13, 2015, pursuant to Idaho Code § 41-4707(2). This order is a final order and is effective immediately.

#### **NOTIFICATION OF RIGHTS**

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the

petition will be considered denied by operation of law. *See* section 67-5246(4), Idaho Code.

Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED and EFFECTIVE this 3<sup>RD</sup> day of November 2010.

  
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WILLIAM W. DEAL, Director  
Idaho Department of Insurance

### CERTIFICATE OF SERVICE

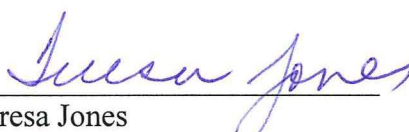
I HEREBY CERTIFY that I have on this 3rd day of November 2010 caused a true and correct copy of the foregoing order to be served upon the following by the designated means:

Principal Life Insurance Company  
ATTN: Guy R. Montag, Assistant General Counsel  
711 High Street  
Des Moines, IA 50392-0001

☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Thomas A. Donovan  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
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☐ via facsimile

  
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Teresa Jones  
Assistant to the Director