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FILED

DEC 24 2007

**Department of Insurance
State of Idaho**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:)
)
NATIONAL HEALTH INSURANCE)
COMPANY)
Certificate of Authority No. 1347)
NAIC No. 82538)
)
Respondent.)
_____)

Docket No. 18-2247-07

**ORDER OF RESUSPENSION
OF CERTIFICATE OF
AUTHORITY**

WHEREAS, the Certificate of Authority issued to NATIONAL HEALTH INSURANCE COMPANY (“NATIONAL HEALTH”), a company domiciled in Texas, licensed for life and disability insurance in the State of Idaho, has been suspended by the Department of Insurance, State of Idaho, by an order dated March 31, 2004, pursuant to Idaho Code § 41-326(1)(b) due to failure of the company to meet the capital and surplus requirements set forth at Idaho Code § 41-313(1); and

WHEREAS, the Certificate of Authority issued to NATIONAL HEALTH was re-suspended by the Department of Insurance, State of Idaho, by orders dated February 14, 2005, February 28, 2006, and January 23, 2007 pursuant to Idaho Code § 41-327(3) due to the

company being placed under a corrective order in Texas, its state of domicile, on December 8, 2004, pursuant to Texas Insurance Code Article 1.32; and

WHEREAS, NATIONAL HEALTH remains the subject of the corrective order in its state of domicile and therefore, the Director may, at his discretion, continue suspension pursuant to Idaho Code § 41-327(3);

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the provisions of Idaho Code § 41-327(3) that Certificate of Authority No. 1347, issued to NATIONAL HEALTH, be CONTINUED IN SUSPENSION effective immediately, and that NATIONAL HEALTH comply with each of the requirements of Idaho Code § 41-329, including § 41-329(2) which states: “During the suspension period the insurer shall not solicit or write any new business in this state, but shall file its annual statement, pay fees, licenses, and taxes as required under this code, and may service its business already in force in this state, as if the certificate of authority had continued in full force”, and that pursuant to this section, said continuation of suspension be continued for a period of one (1) year from the date of this Order. The Director may terminate the continuation of suspension sooner if the cause for said continuation of suspension is terminated and NATIONAL HEALTH is otherwise in compliance with the provisions of Title 41, Idaho Code.

NOTIFICATION OF RIGHTS

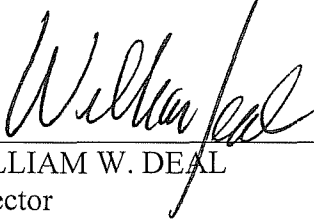
This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered 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 (a) of this final order, (b) of an order denying any 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 24th day of December 2007.



WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have on this 24th day of December 2007, caused a true and correct copy of the ORDER OF RESUSPENSION OF CERTIFICATE OF AUTHORITY to be served upon the following by the designated means:

National Health Insurance Company
Lori McKnight
1901 N. State Highway 360
Grand Prairie, TX 75050-1412

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

Thomas A. Donovan
Deputy Attorney General
Idaho Department of Insurance
P. O. Box 83720
Boise, ID 83720-0043

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- certified mail
- hand delivery
- via facsimile



Teresa Jones
Assistant to the Director