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FILED

MAY 21 2008

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. 18-2466-08
EMPHESYS INSURANCE COMPANY)	
)	ORDER OF SUSPENSION
Certificate of Authority No. 2922)	OF CERTIFICATE
NAIC No. 88595)	OF AUTHORITY
_____)	

WHEREAS, EMPHESYS INSURANCE COMPANY (“EMPHESYS”), a Texas state domiciled insurer licensed for life and disability insurance in the state of Idaho, is required to have capital of One Million Dollars (\$1,000,000) and surplus of One Million Dollars (\$1,000,000) pursuant to Idaho Code § 41-313; and as of December 31, 2007, EMPHESYS reported a surplus of Six Hundred Fifty-three Thousand Six Hundred Eighty-five Dollars (\$653,685), as reflected in its 2007 December Statutory Financial Statement, and therefore no longer meets the requirements for maintaining surplus set forth at Idaho Code § 41-313, and therefore does not meet the requirements for a certificate of authority in the state of Idaho;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to provisions of Idaho Code § 41-326(1)(b), that Certificate of Authority No. 2922 issued to EMPHESYS be SUSPENDED effective immediately; and said suspension be continued for a period of one (1) year from the date of this order. The director may terminate the suspension sooner if the cause for said suspension is terminated and EMPHESYS is otherwise in compliance with the provisions of Title 41, Idaho Code.

IT IS FURTHER ORDERED, that EMPHESYS 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 force.”

IT IS FURTHER ORDERED, pursuant to the provisions of Idaho Code § 41-330, that EMPHESYS, within four (4) days after notice of this suspension is received, notify, by any available means, every person authorized to write business by said insurance company in the state of Idaho, to immediately cease any further writing of such business.

IT IS FURTHER ORDERED, that EMPHESYS promptly return Certificate of Authority No. 2922 to the Idaho Department of Insurance, as required by Idaho Code § 41-323(2).

NOTIFICATION OF RIGHTS

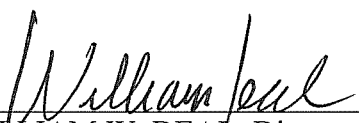
This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered 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 21st day of May 2008.



WILLIAM W. DEAK, Director
Idaho Department of Insurance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have on this 21st day of May 2008, caused a true and correct copy of the foregoing order to be served upon the following by designated means:

EmpheSys Insurance Company
Murray Gipe
500 W. Main St.
Louisville, KY 40202-2946

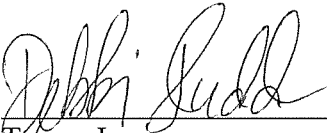
- first class mail
- certified mail
- hand delivery
- via facsimile

Candie Kinch
Idaho Life and Health Guaranty Association
4700 N. Cloverdale Rd., Ste 204
Boise, ID 83713-1068
ckinch@idlifega.org

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

Thomas A. Donovan
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700 West State Street, 3rd Floor
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- first class mail
- certified mail
- hand delivery
- via facsimile



for Teresa Jones
Assistant to the Director