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**FILED**  
**DEC 10 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: )  
 )  
MEDICAL SAVINGS )  
INSURANCE COMPANY )  
 )  
Certificate of Authority No. 1110 )  
NAIC No. 74217 )  
\_\_\_\_\_ )

Docket No. 18-2512-08  
**ORDER OF SUSPENSION**  
**OF CERTIFICATE**  
**OF AUTHORITY**

WHEREAS, MEDICAL SAVINGS INSURANCE COMPANY ("MEDICAL SAVINGS"), an Indiana 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 September 30, 2008, MEDICAL SAVINGS reported a surplus of negative Eight Hundred Sixty-two Thousand Thirty-four Dollars (-\$862,034), as reflected in its September 30, 2008 Quarterly 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; and

WHEREAS, MEDICAL SAVINGS was placed into rehabilitation on December 1, 2008 by order of the Marion County Circuit Court, State of Indiana, Cause No. 49C01-0811-MI-053358.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to provisions of Idaho Code §§ 41-326(1)(b) and 41-327(3), that Certificate of Authority No. 1110 issued to MEDICAL SAVINGS 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 MEDICAL SAVINGS is otherwise in compliance with the provisions of Title 41, Idaho Code.

IT IS FURTHER ORDERED, that MEDICAL SAVINGS 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 MEDICAL SAVINGS, 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 within 60 days of the date of this order MEDICAL SAVINGS file with the Director a complete listing of its policies owned by or issued to residents of the State of Idaho. Such list shall include the name and address of each policyholder and insured, policy type, face amount, and cash surrender value of the policy, as applicable.

IT IS FURTHER ORDERED, that MEDICAL SAVINGS promptly return Certificate of Authority No. 1110 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 10<sup>th</sup> day of December 2008.

  
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WILLIAM W. DEAL, Director  
Idaho Department of Insurance

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have on this 10th day of December 2008, caused a true and correct copy of the foregoing order to be served upon the following by designated means:

Sharon Morrissey Gregg  
Medical Savings Insurance Company  
5835 W. 74<sup>th</sup> St.  
Indianapolis, IN 46278-1757

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

Jim Atterholt  
Insurance Commissioner  
Indiana Department of Insurance  
311 W. Washington St., Suite 300  
Indianapolis, IN 46204-2787

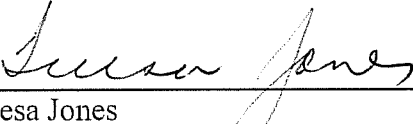
- first class mail
- certified mail
- hand delivery
- via facsimile

Candie Kinch  
Idaho Life and Health Guaranty Association  
4700 N. Cloverdale Rd., Ste 204  
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- first class mail
- certified mail
- hand delivery
- via email

Thomas A. Donovan  
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- first class mail
- certified mail
- hand delivery
- via facsimile

  
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Teresa Jones  
Assistant to the Director