

LAWRENCE G. WASDEN  
Attorney General

A. RENÉ MARTIN – I.S.B. #3188  
Deputy Attorney General  
State of Idaho  
Department of Insurance  
700 West State Street  
P.O. Box 83720  
Boise, ID 83720-0043  
Telephone: (208) 334-4204  
Facsimile: (208) 334-4298  
[rene.martin@doi.idaho.gov](mailto:rene.martin@doi.idaho.gov)

  
**FILED**

**JUN 13 2013**

Department of Insurance  
State of Idaho

*Attorneys for Department of Insurance*

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

In the Matter of:

PHYSICIANS MUTUAL INSURANCE  
COMPANY,

Certificate of Authority No. 701  
NAIC ID No. 80578

Docket No. 18-2875-13

**ORDER GRANTING REQUEST FOR  
BLOCK NON-RENEWAL AND FOR  
WITHDRAWAL FROM THE MAJOR  
MEDICAL HEALTH INSURANCE  
MARKET**

On or about May 29, 2013, the State of Idaho, Department of Insurance (Department), received from PHYSICIANS MUTUAL INSURANCE COMPANY (PHYSICIANS MUTUAL) a letter seeking permission to withdraw from the major medical health insurance market in Idaho and to block non-renew any of its major medical and hospital-medical-surgical insurance policies delivered or issued for delivery in Idaho, pursuant to Idaho Code § 41-5207(1)(f), effective December 31, 2013. PHYSICIANS MUTUAL asserts that such change would not affect Idaho residents, as the company has no such policies in force in Idaho at this time.

PHYSICIANS MUTUAL represents to the Department that it will provide a minimum of one hundred eighty (180) days' written notice to any affected Idaho policyholders of its intent to non-renew the subject policies.

PHYSICIANS MUTUAL further represents that it intends to withdraw from the major medical health insurance market in Idaho and acknowledges that, pursuant to Idaho Code § 41-5207(2), it will be prohibited from offering and writing any new such business in such market in Idaho for five (5) years from May 29, 2013, the date of PHYSICIAN MUTUAL's notice to the Department, as referenced above.

The proposed block non-renewal complies with the notice requirements set forth in Idaho Code §§ 41-1841(1) and 41-5207(1)(f).

The Director, having reviewed the foregoing and the requirements of Idaho Code §§ 41-1841 and 41-5207, and good cause appearing therefor;

NOW THEREFORE, IT IS HEREBY ORDERED that PHYSICIANS MUTUAL is authorized, pursuant to Idaho Code §§ 41-1841 and 41-5207(1)(f), to effectuate a block non-renewal of all of its major medical and hospital-medical-surgical insurance policies in Idaho, effective December 31, 2013, which change will not affect Idaho residents, as PHYSICIANS MUTUAL represents that there are no such policies in force in Idaho. FURTHER, PHYSICIANS MUTUAL shall provide written notice of not less than one hundred eighty (180) days to any Idaho policyholders that may be affected by the non-renewals authorized by this order in accordance with the notice provisions included in the company's applicable insurance policies and in Idaho Code § 41-5207.

IT IS HEREBY FURTHER ORDERED that PHYSICIANS MUTUAL is prohibited from offering and writing any new business in the major medical health insurance market in Idaho prior to May 29, 2018, pursuant to Idaho Code § 41-5207(2).

THIS ORDER is a final order of the Director and is EFFECTIVE IMMEDIATELY.

DATED this 12<sup>th</sup> day of June, 2013.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

  
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WILLIAM W. DEAL  
Director

**NOTIFICATION OF RIGHTS**

This is a final order of the Director. 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* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, 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 Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 13th day of June, 2013, I caused a true and correct copy of the ORDER GRANTING REQUEST FOR BLOCK NON-RENEWAL AND FOR WITHDRAWAL FROM THE MAJOR MEDICAL HEALTH INSURANCE MARKET to be served upon the following by the designated means:

Physicians Mutual Insurance Company  
Attn: Debbie Knowlton  
Product Approval & Compliance Coordinator  
2600 Dodge Street  
Omaha, NE 68131-2671

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

A. René Martin  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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



Teresa Jones  
Assistant to the Director