

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

In the Matter of PROVIDENT	)	
AMERICAN LIFE & HEALTH	)	Docket No. 3055-CO
INSURANCE COMPANY	)	

**CONSENT ORDER**

Pursuant to the authority granted the Commissioner of Insurance by Kansas Statutes Annotated (K.S.A.) 40-222, K.S.A. 40-222b, K.S.A. 40-222d and in accordance with the Kansas Administrative Procedures Act, K.S.A. 77-501, et seq., as amended,

I, Kathleen Sebelius, the duly elected, qualified, and acting Commissioner of Insurance of the State of Kansas, hereby make the following findings of fact, conclusion of law, and order, to wit:

**Findings of Fact**

1. Provident American Life & Health Insurance Company (Provident American) is an insurance company incorporated under the laws of the State of Ohio with its registered corporate office being located at 17800 Royalton Road, Strongsville, Ohio, 44136.

2. Provident American was admitted to transact the business of insurance in the State of Kansas on December 26, 1984, pursuant to the authority of K.S.A. 40-402.

3. The Commissioner of Insurance of the State of Kansas has jurisdiction over the subject matter of this proceeding and over the operation of Provident American in this state, and this proceeding is held in the public interest.

4. Provident American's pure surplus decreased from \$4,050,866 as of December 31, 2000 to \$1,446,793 as of December 31, 2001, which represents a decrease of \$2,604,073 or 64%.

5. Provident American's unassigned funds (surplus) decreased \$5,104,073 to a negative \$11,674,013 during the period of December 31, 2000 to December 31, 2001. This decrease occurred despite gross paid in and contributed surplus increasing \$2,500,000 over that same period of time. This negative trend is primarily due to negative cash flow from operations of \$5,585,555.

#### **Conclusion of Law**

6. Based upon the information enumerated in paragraphs # 4 and #5 above, Provident American's affairs appear to be in an unsound condition so that the continued operation of Provident American may be hazardous to the insuring public as contemplated by K.S.A. 40-222, 40-222b, and 40-222d.

7. Provident American waives its right to a formal adjudicative proceeding in this matter and notice thereof; admits to the foregoing findings of fact and conclusions of law; and voluntarily consents to the following order of the Commissioner of Insurance.

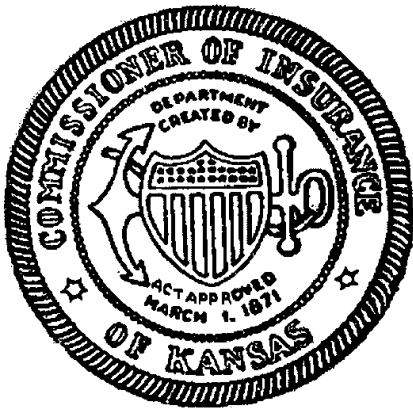
#### **IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:**

1. The Certificate of Authority of Provident American is hereby suspended, effective the date of this Consent Order. Provident American shall refrain from writing any new or renewal business in the State of Kansas until such time as Provident American can demonstrate to the Commissioner of Insurance that it is no longer in an unsound condition as to endanger policyholders, and the continued operation of Provident American is no longer potentially hazardous to the Kansas insuring public.

2. Provident American shall take appropriate action to increase its capital and surplus to a level whereby the company's continued operation would no longer be in a hazardous financial condition.

3. The Commissioner of Insurance retains jurisdiction over this matter and over Provident American for the purpose of entering any further order or orders as may be deemed proper and necessary.

**IT IS SO ORDERED THIS \_\_20th\_\_ DAY OF MAY 2002, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_/s/ Kathleen Sebelius\_\_\_\_\_  
Kathleen Sebelius  
Commissioner of Insurance  
BY:

\_\_\_\_\_/s/ Kathy Greenlee\_\_\_\_\_  
Kathy Greenlee  
General Counsel

\_\_\_\_\_/s/ Anthony J. Pino\_\_\_\_\_  
For and on behalf of Provident American Life  
& Health Insurance Company