

7. On December 18, 2006 FirstGuard advised the Commissioner of the declaration of the \$5,500,000 dividend but requested a waiver of the ten (10) day notice and payment requirements stated in K.S.A. 40-3305(e), and also requested approval for the dividend to be paid on or before December 29, 2006.

8. On December 18, 2006 FirstGuard also requested approval for the dividend to be paid to FirstGuard's indirect parent company, Centene Corporation, rather than its immediate parent company, FirstGuard, Inc.

9. As of September 30, 2006 FirstGuard had Surplus of \$29,169,373 and Unassigned Surplus of \$20,534,257. After payment of the proposed dividend First Guard will have Surplus of approximately \$23,669,373.

10. FirstGuard's Form A Order, dated December 1, 2004, required FirstGuard to establish and maintain capital and surplus at a minimum of \$15,000,000. However, since FirstGuard will discontinue writing business in the state of Kansas on December 31, 2006, its compliance with the capital and surplus requirements stated in the Form A Order will not be required by the Commissioner.

CONCLUSIONS OF LAW

11. K.S.A. 40-3305(e) provides, in part, as follows:

(e) . . . each registered insurer shall report all dividends and other distributions to shareholders within five business days following its declaration. Any such dividend or distribution shall not be paid for at least 10 business days from the commissioner's receipt of the notice of its declaration.

12. K.S.A. 40-3305(j) provides as follows: "The provisions of this section shall not apply to any information or transaction if and to the extent the commissioner of insurance by order shall exempt the same from the provisions of this section."

13. Based upon the information enumerated in the Findings of Fact contained in paragraphs one through ten above FirstGuard should be exempted from complying with the notice and payment requirements stated in K.S.A. 40-3305.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. FirstGuard Health Plan Kansas, Inc shall be exempt from the notice and payment requirements stated in K.S.A. 40-3305(e), as they apply to the dividend distribution declared on December 18, 2006, and the request to pay the dividend on or before December 29, 2006 is approved.

