

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

**In the Matter of the** )  
**National Health Insurance Company** )      **Docket No. 3984-OR**

**ORDER TO RESCIND**

Pursuant to the authority granted the Commissioner of Insurance by the Kansas Statutes Annotated (K.S.A.) 40-222, K.S.A. 40-222b, K.S.A. 40-222d, K.S.A. 40-222e, and in accordance with the Kansas Administrative Procedure Act, K.S.A. 77-501, et seq., I, Sandy Praeger, the duly elected, qualified, and acting Commissioner of Insurance of the State of Kansas, hereby make the following findings of fact, conclusions of law, and order, to wit. This Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no hearing is requested, pursuant to K.S.A. 77-542.

**FINDINGS OF FACT**

1. National Health Insurance Company (“Company”) is an insurance company incorporated under the laws of the State of Texas on July 16, 1963 with a registered corporate office located at 1901 North State Highway 360 Grand Prairie, TX 75050.
2. National Health Insurance Company was licensed to transact business of insurance in the State of Kansas on August 5, 1982 pursuant to the authority of K.S.A. 40-401.
3. The Commissioner of Insurance of the State of Kansas has jurisdiction over the subject matter of this proceeding and over the operation of National Health Insurance Company in this state, and this proceeding is held in the public interest.
4. On July 22, 2004, the Commissioner of Insurance issued a Consent Order which suspended National Health Insurance Company’s authority to write any new direct business in the State of Kansas and from entering into any new or renewal reinsurance contracts of any kind with a Kansas domiciled insurance company.

5. The Consent Order was placed on National Health Insurance Company as a result of the financial condition that had resulted in a condition such that the continued operation of the company in this state might be hazardous to the insuring public.

6. On September 30, 2008, Southwest Insurance Partners, Inc., a Texas based insurance holding company, acquired the Company through the purchase of all of the outstanding shares of stock, after approval by the Texas Insurance Department.

7. National Health Insurance Company's most recent financial statements reflect an improvement in the Company's financial condition. As of December 31, 2008, the Company is reporting capital and surplus of \$16,860,910.

8. On October 17, 2008 National Health Insurance Company requested to be released from the current Consent Order that is in effect in Kansas.

#### **CONCLUSIONS OF LAW**

9. National Health Insurance Company has provided the Commissioner of Insurance with information which indicates National Health Insurance Company has rectified the condition which warranted the issuance of the Consent Order referred to in paragraph #4 above.

#### **ORDER**

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

1. The Consent Order dated July 22, 2004, and referred to in paragraph #4 above, which suspended the authority of NATIONAL HEALTH INSURANCE COMPANY to transact business of insurance in the State of Kansas, is hereby rescinded.

2. NATIONAL HEALTH INSURANCE COMPANY may commence writing business in the State of Kansas.

3. The Commissioner shall retain jurisdiction over this matter to issue any Order(s) deemed necessary and appropriate.

**NOTICE OF RIGHTS**

National Health Insurance Company is entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If National Health Insurance Company desires a hearing, they must file a written request for a hearing with:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9th Street  
Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order. If National Health Insurance Company requests a hearing, the Kansas Insurance Department will notify them of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. § 77-613. In the event National Health Insurance Company files a petition for judicial review, pursuant to K.S.A. § 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

**IT IS SO ORDERED THIS 15th DAY OF APRIL, 2009 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_/s/ Sandy Praeger\_\_\_\_\_  
Sandy Praeger  
Commissioner of Insurance

By: \_\_\_\_\_/s/ John W. Campbell\_\_\_\_\_  
John W. Campbell  
General Counsel

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Order was forwarded via first class mail, postage prepaid on 15th day of April, 2009 to:

Charles W. Harris  
National Health Insurance Company  
1901 North State Highway 360  
Grand Prairie, TX 75050

/s/ Zachary J.C. Anshutz  
Zachary J.C. Anshutz  
Assistant General Counsel