

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

In the Matter of the Acquisition of)
PREFERRED HEALTH SYSTEMS) Docket No. 4069-ACQ
INSURANCE COMPANY and)
PREFERRED PLUS OF KANSAS, INC.)

ORDER

Now on this 10th day of July, 2012, the above captioned matter comes before the Commissioner of Insurance of the State of Kansas (“Commissioner”) upon the request of Coventry Health Care, Inc. (“Coventry”) to release the conditions set forth in the Commissioner’s December 24, 2009 Acquisition Order relating to the acquisition of Preferred Health Systems Insurance Company (“PHSIC”) and Preferred Plus of Kansas, Inc. (“PPK”). This Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

DECLARATION OF PUBLIC INTEREST AND POLICY

1. The Commissioner’s Declarations of Public Interest and Policy as set forth in the December 24, 2009 Order are hereby incorporated by reference into this Order.
2. The Commissioner finds and declares that public and policyholder interest is served by granting Coventry’s request to release the conditions set forth in the December 24, 2009 Acquisition Order.

FINDINGS OF FACT

1. The Findings of Fact and Conclusions of Law as set forth in the December 24, 2009 Acquisition Order are hereby incorporated by reference into this Order.
2. The Commissioner finds that Coventry is in compliance with conditions set forth in the December 24, 2009 Acquisition Order.

3. The Commissioner finds that Coventry has agreed to voluntarily submit quarterly reports in the same manner as set forth in Section 1 A. and B. of the December 24, 2009 Acquisition Order.
4. The Commissioner finds that public and policyholder interests are hereby served by releasing Coventry from the conditions set forth in the December 24, 2009 Acquisition Order.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The conditions set forth in the December 24, 2009 Acquisition Order are hereby released without further restriction.
2. The Commissioner retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order(s) as may be deemed proper.

IT IS SO ORDERED THIS __17th__ DAY OF JULY, 2012, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS



/s/ Sandy Praeger
Sandy Praeger
Commissioner of Insurance

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

NOTICE OF RIGHTS

Coventry Health Care, Inc. (“Coventry”) is entitled to a hearing pursuant to K.S.A. 77-537 of the Kansas Administrative Procedures Act. If Coventry desires a hearing, it must file a written request for hearing with:

Zachary J.C. Anshutz
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 Coventry requests a hearing, the Kansas Insurance Department will notify Coventry of the time and place of the hearing and information on the procedures, right of representation, and other rights of the parties relating to the conduct of the hearing, before commencement of the 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 Coventry 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:

Zachary J.C. Anshutz
General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

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 the __17th__ day of July 2012 to:

Michelle Carter-Gouge
Senior Attorney
Coventry Health Care, Inc.
8535 E 21st St N
Wichita, KS 67206

and via e-mail at:
mcarter@phsystems.com

Jonathan D. Weinberg
Senior Vice President, Deputy General Counsel
Coventry Health Care, Inc.
6705 Rockledge Drive
Bethesda, MD 20871

and via e-mail at:
jweinberg@cvty.com

_s/ Zachary J.C. Anshutz____
Zachary J.C. Anshutz
General Counsel