MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G06-54
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
Arcadian Health Plan, Inc.	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Domestic Health Care	)	
Service Contractor	)	

BACKGROUND

An examination of the market conduct of **Arcadian Health Plan, Inc.** (the Company) as of December 31, 2005 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Washington, holds a Washington certificate of registration as a health care service contractor. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, and instructions was transmitted to the Company for its comments on May 5, 2006. The Company's response to the draft report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 10 of the report. Page 5 of the report documents the Company's failure to provide requested records to the examiners.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Arcadian Health Plan, Inc.** and to order the Company to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Company may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions contained in the examination report on page 10.

1. The Company is ordered to refrain from referencing itself as an HMO as it is only licensed to operate as an HCSC in Washington. Reference: RCW 48.44.015(1); RCW 48.46.027.

2. The Company is ordered to report to the OIC any changes to its Bylaws. Reference: RCW 48.44.013.

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 23rd day of August, 2006.

MIKE KREIDLER
Insurance Commissioner