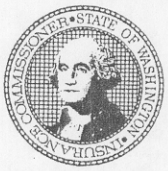
MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000

2998 05/04/05 $2,200.00

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of
ARCADIAN HEALTH PLAN,)
)
A Registered Health Care Service Contractor.)

AMENDED No. D 2005 - 141

CONSENT ORDER

Comes now the Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.01.020, RCW 48.44.160 and RCW 48.44.166, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following:

FINDINGS OF FACT

1. Arcadian Health Plan is a health care service contractor holding a certificate of registration to transact prepaid health care in the State of Washington, and is therefore governed by Title 48 RCW.

2. RCW 48.44.160 and 48.44.166 provide a process for addressing health care service contractor violations of Title 48 Revised Code of Washington and Title 284 Washington Administrative Code.

3. RCW 48.44.095 requires each health care service contractor, before the first day of March, to file a statement of its financial condition as of the last day of the preceding calendar year.

4. Chapter 284-07 WAC sets forth the form and requirements for filing financial statements for the year ended the immediately preceding December thirty-first.

5. The Company failed to file with its annual financial statement for the year ended December 31, 2004 before March 1, 2005.

6. Attached Exhibit A is incorporated herein for the purpose of identifying the date of The Company's annual statement filing.

Based upon the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW

1. The Company by and through the conduct described above has violated RCW 48.44.095 and Chapter 284-07 WAC by failing to timely file in proper form its annual statement as of December 31, 2004.

2. RCW 48.44.166 authorizes the Insurance Commissioner to impose a fine in lieu of the suspension or revocation of a certificate of registration.

3. The Company committed the following violation of Washington law:

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

The Company failed to timely file its annual financial statement for the year ended December 31, 2004 in the form required by Chapter 284-07 WAC.

CONSENT TO ORDER

The Company consents to entry of this Order, waives further administrative or judicial proceedings in this matter, and acknowledges its duty to comply fully with the applicable laws of the State of Washington. The Insurance Commissioner has offered a settlement in lieu of suspending or revoking the certificate of registration.

By agreement of the parties, the Insurance Commissioner will impose a fine of $2,2001000 on condition that:

1. Within thirty days, The Company pays to the Insurance Commissioner the full amount of the fine;

2. The Company commits no further violations of the statutes and regulations that are the subject of this Consent Order;

3. The Company voluntarily consents to this order to resolve the issues and conduct described herein and with the understanding that the payment of the amount due is a condition to avoiding suspension or revocation of the Certificate of Registration.

EXECUTED this 3 day of May, 2005.

Kenneth B. Zimmer
Signature

CFO
Title

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. The Company is ordered to pay a fine in the amount of $2,200 upon the condition that The Company fully complies with the laws and regulations of the State of Washington which are the subject of this Order; and

2. Upon failure to pay the fine within the time limit set forth above, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington, pursuant to RCW 48.44.160.

ENTERED TUMWATER, WASHINGTON this 10 day of May, 2005.

MIKE KREIDLER
Insurance Commissioner

By:

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division