

JESSE LASLOVICH

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Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF THE BULK)	CASE NO. INS-2011-317
REINSURANCE OF:)	
)	
NEW WEST HEALTH SERVICES, a)	
domestic health service corporation,)	AMENDED NOTICE OF HEARING
)	
by)	
)	
PACIFICSOURCE HEALTH PLANS,)	
a health service corporation,)	

To: Kenneth P. Provencher, President/CEO
PacificSource Health Plans (PacificSource)
110 International Way
Springfield, OR 97477

David Kibbe, President/CEO
New West Health Services (New West)
130 Neill Avenue
Helena, MT 59601

Please take notice that pursuant to Mont. Code Ann. § 33-2-1212 (2011), a hearing shall be held in the above-entitled matter at **9:00 am on February 7, 2012**, in the basement conference room in the building of the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), 840 Helena Avenue, Helena, Montana. PacificSource must give notice, at its expense, by certified mail to all of the health insurance companies with current certificates of authority in Montana. Notice must also be provided by PacificSource to the public

by publication once a week for two consecutive weeks in each of the foregoing newspapers: Independent Record, Billings Gazette, the Missoulian, Montana Standard, Daily Interlake, Bozeman Chronicle, and the Great Falls Tribune, the costs of which are to be shared by PacificSource and New West equally, or as they may otherwise agree.

New West filed a request with the CSI to allow PacificSource to purchase certain assets of New West.

Pursuant to the Asset Purchase Agreement and Mont. Code Ann. § 33-2-1212, a hearing will be held to consider the proposal to bulk reinsure the health insurance risk of New West by PacificSource. As stated in Mont. Code Ann. § 33-2-1212, the general issues for consideration at the hearing will be as follows:

- a. whether the bulk reinsurance agreement is inequitable to the stockholders of New West; and
- b. whether the bulk reinsurance agreement would substantially reduce the protection or service to the policyholders of New West that are subject to the Asset Purchase Agreement.

The hearing shall be conducted as follows: It will be open to the public.


The person filing the statement, the proposed insurer, any person or entity to whom notice of the hearing was sent, and any other person or entity whose interests may be affected, as well as staff of the Commissioner, have the right to appear in person or by counsel, to present evidence, examine and cross-examine witnesses, and offer oral and written arguments. Pursuant to *Contl. Realty, Inc. v. Gerry* (1991), 251 Mont. 150, 152, 822 P.2d 1083, 1084, corporations may not appear pro se at the hearing. If the counsel you choose has not been admitted to the practice of law in the State of Montana, he or she must comply with the requirements of *Application of*

American Smelting and Refining, Co. (1973), 164 Mont. 139, 520 P.2d 103 and *Mont. Sup. Ct. Comm 'n on the Unauth. Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 146 P.3d 200.

After the contested case portion of the hearing has been completed, the hearing shall be open for public comment by any person who may be affected by the bulk reinsurance. Written comments may be submitted in lieu of oral testimony, but must be submitted to the CSI no later than February 8, 2012.

The Commissioner shall preside over the hearing. Any comments or inquiries concerning the hearing may be sent to the undersigned at 840 Helena Avenue, Helena, MT 59601.

Dated this 17th day of January, 2012.


JESSE LASLOVICH
Chief Legal Counsel

CERTIFICATE OF SERVICE

I hereby certify that on the ___ day of January, 2012, I served a true and accurate copy of the foregoing document upon the following by fax and U.S. Mail, postage prepaid at the following address:

Kenneth P. Provencher, President/CEO
PacificSource Health Plans (Pacific-Source)
110 International Way
Springfield, OR 97477

David Kibbe, President/CEO
New West Health Services
130 Neill Avenue
Helena, MT 59601

