

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	Pursuant to the Health Maintenance
	:	Organization Act, Act of December
The Request of Horizon Healthcare of	:	29, 1972, P.L. 1701, No. 364, <u>as</u>
Pennsylvania, Inc. for Approval to	:	<u>amended</u> , December 19, 1980, P.L.
Surrender its Certificate of Authority	:	1300, No. 234, 40 P.S. §§1551
to Operate as a Health Maintenance	:	through 1567
Organization	:	
	:	
	:	Order Number ID-RC-07-15

DECISION AND ORDER

AND NOW, on this 8th day of June, 2007, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Health Maintenance Organization Act, and in consideration of the documents, representations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

1. Horizon Healthcare of Pennsylvania, Inc. (“Horizon Healthcare”) is a Health Maintenance Organization (“HMO”) organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
2. Horizon Healthcare Services, Inc. (“Parent”) is an insurance entity organized under the laws of the state of New Jersey with its principal place of business located in Newark, New Jersey. Parent indirectly holds 100% of the issued and outstanding capital stock of Horizon Healthcare.

3. On March 7, 2007, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from Horizon Healthcare to voluntarily surrender its Certificate of Authority to operate as a domestic HMO in this Commonwealth.
4. On March 24, 2007, the Department published notice in the *Pennsylvania Bulletin* that the Request was submitted by Horizon Healthcare, and such notice invited interested persons to submit comments to the Department regarding the Request for a thirty (30) day period, ending April 23, 2007.
5. During the 30 day period, the Department received no relevant comments regarding the Request.
6. On August 10, 1995, Horizon Healthcare was issued a Certificate of Authority by this Department and the Department of Health pursuant to the Health Maintenance Organization Act of December 29, 1972, P.L. 1701, No. 364, as amended (40 P.S. §1551, et seq.) to operate as a HMO in the Commonwealth of Pennsylvania.
7. As stated in the Request, Horizon Healthcare has had no members since December 31, 2000.
8. As stated in the Request, Horizon Healthcare has no known claims liabilities.
9. As stated in the Request, the purpose of this transaction is to surrender the authority to operate a HMO.
10. Horizon Healthcare has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania.
11. Horizon Healthcare has provided documentation that the sole shareholder has resolved to surrender the Horizon Healthcare Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania.
12. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Inasmuch as there are no remaining claims related to the HMO operations of Horizon Healthcare, adequate provisions have been made for payment of member claims.
2. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
3. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on March 7, 2007, by Horizon Healthcare of Pennsylvania, Inc. (“Horizon Healthcare”), subject to the following conditions:

1. Horizon Healthcare shall not engage in the business of providing a Health Maintenance Organization, or any other insurance company business, in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. Horizon Healthcare shall return its Certificate of Authority to the Insurance Department within one year of the date of this Order.
3. The surrender will shall be effective upon receipt of the Certificate of Authority by the Insurance Department.
4. Should Horizon Healthcare, as a continuing business corporation, determine that it would like to engage at some time in the future in the business of

providing a Health Maintenance Organization or other insurance company, it will be necessary to file a new application for an appropriate certificate of authority.

This Order is effective immediately.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Commonwealth of Pennsylvania