

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Conseco, Inc.	:	Holding Companies Act, Article
Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for	:	Law of 1921, Act of May 17, 1921,
the Restructure of the Holding	:	P.L. 682, <u>as amended</u> , 40 P.S.
Company System Containing Colonial	:	§§991.1401, 991.1402, and
Penn Life Insurance Company and	:	991.1403
Conseco Senior Health Insurance	:	
Company	:	
	:	ID-RC-03-19

DECISION AND ORDER

AND NOW, on this ___16th___ day of April, 2003, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations 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. Colonial Penn Life Insurance Company is a stock life insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Philadelphia, Pennsylvania.
2. Conseco Senior Health Insurance Company (together with Colonial Penn Life Insurance Company referenced as the “Domestic Insurers”) is a stock life insurance company organized pursuant to the laws of the

- Commonwealth of Pennsylvania with its principal place of business located in Carmel, Indiana.
3. CIHC, Incorporated ("CIHC") is an insurance holding company organized pursuant to the laws of the state of Delaware with its principal place of business located in Carmel, Indiana. CIHC currently indirectly holds 100% of the issued and outstanding capital stock of the Domestic Insurers.
 4. Conseco, Inc. ("Parent") is a business corporation organized pursuant to the laws of the state of Indiana with its principal place of business located in Carmel, Indiana. Parent currently directly holds 100% of the issued and outstanding capital stock of CIHC.
 5. Parent is the sole ultimate controlling person of the Domestic Insurers.
 6. On April 10, 2003, the Insurance Department of the Commonwealth of Pennsylvania ("Department") received an initial request (which together with all material received subsequently is collectively referenced as "Request") from Parent for approval to effectuate a corporate restructuring which would result in a change in the chain of control within the holding company system of the Domestic Insurers, although the ultimate controlling person would not change.
 7. As described in the Request, the plan involves the contribution by Parent of the voting stock of CIHC to a yet to be named new direct wholly owned subsidiary of Parent ("New Conseco").
 8. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. ("Insurance Holding Companies Act"), provides that all changes in control of domestic insurers must be filed with the Department for approval or disapproval.
 9. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
 10. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction does not have the effect of changing or influencing the control of a domestic insurer.

11. As provided in the Request, the ultimate controlling person of the Domestic Insurers would remain Parent after consummation of the contemplated transaction.
12. The Deputy Commissioner finds that the transaction described in the Request would not have the effect of changing or influencing the ultimate control of a domestic insurer.
13. 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. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of voting securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Request satisfies the requirements of all applicable laws and regulations.
3. The restructure of the holding company system proposed in the Request is not being contemplated to change or influence the ultimate control of the Domestic Insurers and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
4. 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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Penn Life Insurance Company and	:	991.1403
Conseco Senior Health Insurance	:	
Company	:	
	:	ID-RC-03-19

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination for the application of Conseco, Inc. requesting exemption from the requirements of 40 P.S. §991.1402 for the restructure of the Holding Company System containing Colonial Penn Life Insurance Company and Conseco Senior Health Insurance Company, as set forth in the Request, is hereby granted subject to this Order.

This Order is effective immediately and valid for one year from the date of signature, provided there are no significant changes from the Request.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Regulation of Companies