

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, as amended, 40 P.S.  
Company System Containing Conseco : §§991.1401, 991.1402, and  
Senior Health Insurance Company : 991.1403  
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: ID-RC-08-05

DECISION AND ORDER

AND NOW, on this 4<sup>th</sup> day of June, 2008, 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. Conseco Senior Health Insurance Company (“Conseco Senior Health”) 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.
2. Conseco Life Insurance Company of Texas (“Conseco of Texas”) is a stock life insurance company organized pursuant to the laws of the state of Texas with its principal place of business located in Carmel, Indiana.

- Conseco of Texas directly holds 100% of the issued and outstanding capital stock of Conseco Senior Health.
3. CDOC, Inc. ("CDOC") 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. CDOC directly holds 100% of the issued and outstanding capital stock of Conseco of Texas.
  4. Conseco, Inc. ("Parent") is a business corporation organized pursuant to the laws of the state of Delaware with its principal place of business located in Carmel, Indiana. Parent directly holds 100% of the issued and outstanding capital stock of CDOC.
  5. Parent is the sole ultimate controlling person of Conseco Senior Health.
  6. On May 22, 2008, 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 Conseco Senior Health, although the ultimate controlling person would not change.
  7. As described in the Request, the plan involves the distribution by Conseco of Texas of the capital stock of Conseco Senior Health to CDOC.
  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 a domestic insurer 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 ultimate 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 Conseco Senior Health 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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Senior Health Insurance Company	:	991.1403
	:	
	:	
	:	ID-RC-08-05

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 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.

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STEPHEN J. JOHNSON  
Deputy Insurance Commissioner  
Corporate and Financial Regulation