

BEFORE THE DEPUTY INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to the Insurance Company  
 : Law, Act of May 17, 1921, P.L. 682,  
The Request of Capital Health Plans, Inc. : as amended; 40 P.S. §764a.  
for Approval to Surrender its Certificate :  
of Authority to Operate as a Risk :  
Assuming Preferred Provider :  
Organization that is not a Licensed Insurer : Order No. ID-RC-09-29

**DECISION AND ORDER**

AND NOW, on this 25th day of September, 2009, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes this Decision and Order:

Pursuant to the Insurance Company Law, 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**

**Identity of Applicant**

1. Capital Health Plans, Inc. (“Capital Health”) is a preferred provider organization that is not a licensed insurer (“RANLI PPO”) organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Pittsburgh, Pennsylvania.
2. Capital Health holds a certificate authorizing the transaction of business as a RANLI PPO in this Commonwealth (“Certificate of Authority”).

**The Surrender Filing**

3. On August 13, 2009, the Pennsylvania Insurance Department (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from Capital Health to voluntarily surrender its Certificate of Authority.

## **Department Procedures**

4. On August 29, 2009, the Department published notice in the *Pennsylvania Bulletin* that the Request was submitted by Capital Health, and such notice invited interested persons to submit comments to the Department regarding the Request for a seven day period, ending September 5, 2009.
5. During the seven day period, the Department received no comments regarding the proposed Request.

## **The Filing**

6. As stated in the Request, Capital Health has no current policyholders.
7. As stated in the Request, Capital Health has no known liabilities.
8. As stated in the Request, the purpose of this transaction is to surrender the authority to operate a RANLI PPO, but continue the corporate existence.
9. Capital Health has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority to act as a RANLI PPO in the Commonwealth of Pennsylvania and to continue the corporate existence of the company.
10. Capital Health has provided documentation that the sole shareholder has resolved to surrender the Capital Health Certificate of Authority to act as a RANLI PPO in the Commonwealth of Pennsylvania and to cause Capital Health to continue its corporate existence.
11. 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 Capital Health does not have any policyholders, Capital Health is not required to make provision for payment of policyholder claims.
2. Inasmuch as Capital Health will be a going concern, the Department's approval of the Request will have no impact on any creditors of Capital Health.
3. After the surrender of the Certificate of Authority, Capital Health will no longer be authorized to transact the business of a RANLI PPO in this Commonwealth.
4. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
5. 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 August 13, 2009, by Capital Health Plans, Inc. (“Capital Health”), subject to the following conditions:

1. Capital Health shall not engage in transacting the business of a RANLI PPO in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. Should Capital Health, as a continuing business corporation, determine that at some time in the future it would like to engage in the business of a RANLI PPO, it will be necessary to file a new application with the Department for an appropriate certificate of authority.

This Order is effective immediately.

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STEPHEN J. JOHNSON  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania