

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF PREMIER HEALTH INSURANCE
COMPANY D/B/A MERCY HEALTH PLANS**

A.I.D. 2010 – 077A

ACKNOWLEDGEMENT OF SATISFACTION OF CONSENT ORDER

Now on this 27th day of July, 2011 comes Jay Bradford, Insurance Commissioner of the State of Arkansas, (“Commissioner”) and issues this Acknowledgement of Satisfaction of Consent Order (“Acknowledgement”) as follows:

1. On September 9, 2009, the Commissioner and other Parties, including, without limitation, the Sisters of Mercy Health System (“SMHS”), entered into Consent Agreement and Order A.I.D. 2010-077 (the “Consent Order”).
2. Capitalized terms in this Acknowledgement shall have the meanings ascribed to them in the Consent Order unless otherwise defined herein.
3. Pursuant to the Consent Order, SMHS became obligated to make a contribution to CHIP within the time period established in the Consent Order, which time period has not yet expired. Such contribution is required to equal the sum of (a) \$3,500, times (b) the number of Policyholders set forth on the List who met all of the requirements of Paragraph 11 of the Consent Order (the “Requirements”) subject to the confirmation by SMHS that each such Policyholder met the Requirements.
4. On May 23, 2011, CHIP provided SMHS with the List which contained the names of (a) 131 Policyholders (each of whom is claimed by CHIP to meet the Requirements), and (b) 33 former policyholders of Mercy Health whose applications for coverage by CHIP were pending with CHIP on May 23, 2011.

5. SMHS (a) asserts that none of the applications pending with CHIP on May 23, 2011 should be included in calculating the contribution required to be made by SMHS to CHIP under the Consent Order, and (b) has the right to confirm that each Policyholder set forth on the List meets the Requirements.

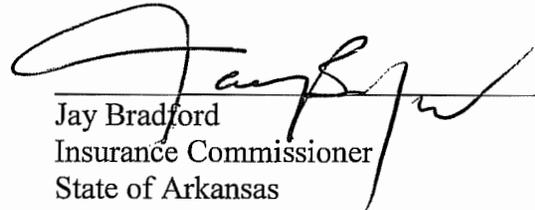
6. In consideration for the execution of this Acknowledgement by the Commissioner and the execution by CHIP of the acknowledgement set forth at the end of this document, SMHS has advised the Commissioner that SMHS is willing to (a) make an extra contribution of \$45,500 to resolve the issue of whether any applications for CHIP coverage pending as of May 23, 2011 should be included in calculating the contribution required to be made by SMHS to CHIP under the Consent Order, and (b) waive its right to confirm that the Policyholders set forth on the List meet the Requirements.

7. On or before August 15, 2011, SMHS shall deliver to CHIP a check payable to CHIP in the amount of \$504,000 ("Check") representing (a) \$3,500 times the number (131) of individuals set forth on the List whose applications for coverage with CHIP had been processed by May 23, 2011, and (b) \$45,500 to resolve the dispute regarding the number of applications pending with CHIP on May 23, 2011.

8. The Commissioner acknowledges that the receipt by CHIP of the Check shall constitute (a) full and final satisfaction of the obligations imposed in the Consent Order upon each and all of SMHS, Premier Health Insurance Company d/b/a Mercy Health Plans, MHP, Inc. and their respective officers, directors, shareholders, employees, agents, administrators, attorneys, servants, affiliates, subsidiaries, parent companies, predecessors, successors, assigns and reinsurers, and (b) confirmation by the Commissioner on behalf of the Department that none of the foregoing persons or entities has any unsatisfied obligations to the Department related to

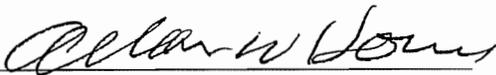
the termination of the MercyOne Policies pertaining or related to termination of the MercyOne Policies as referenced in the Consent Order.

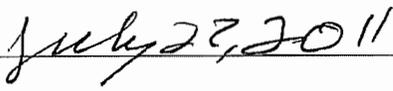
This Acknowledgement is executed as of the 27th day of July, 2011.

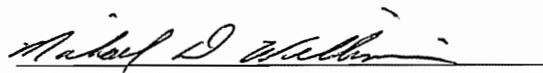


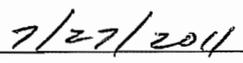
Jay Bradford
Insurance Commissioner
State of Arkansas

Comes now the undersigned and acknowledges that (a) he/she is authorized to act on behalf of and to bind the Arkansas Comprehensive Health Insurance Pool ("CHIP"), (b) he/she is familiar with the Consent Order and the obligations imposed upon the Sisters of Mercy Health System ("SMHS") under the Consent Order, and (c) CHIP does not have any claims of any kind against SMHS or its respective officers, directors, employees, agents, administrators, attorneys, affiliates, subsidiaries and/or reinsurers pertaining or related to termination of the MercyOne Policies as referenced in the Consent Order.


Allan W. Horne
Approving Counsel


Date


Mike Wilkinson
Chairman & President of
Arkansas Comprehensive Health Insurance
Pool


Date