

**State of New Hampshire
Insurance Department**

In Re: Celtic Insurance Company

Docket No. Ins. 12-041-EP

**ORDER TO SHOW CAUSE
AND NOTICE OF HEARING**

Pursuant to New Hampshire Revised Statutes Annotated (“RSA”) 400-A-17, Celtic Insurance Company (“Respondent”) is hereby notified that a hearing shall be conducted on January 29, 2013 at 9:00 a.m. at the offices of the New Hampshire Insurance Department (“NHID”), 21 South Fruit Street, Suite 14 in Concord, New Hampshire. This hearing is scheduled for purposes of giving Respondent the opportunity to show cause why the Insurance Commissioner should not suspend Respondent’s certificate of authority, impose an administrative fine, or both for failure to submit data in a timely fashion in response to an NHID request made pursuant to RSA 420-G:14-a, V. Specifically, the NHID alleges as follows:

1. Respondent is a domestic insurer of Illinois, licensed to write life, accident and health business in the State of New Hampshire.
2. RSA 420-G:14-a, V authorizes the NHID to “require any health insurer or third party administrator to produce documents and information deemed necessary and relevant to evaluate the factors that contribute to cost growth in health care services, increased utilization of health care, and health insurance premium costs.”
3. RSA 420-G:14-a, VI requires that the NHID prepare an annual report “concerning premium rates in the health insurance market and the factors that have contributed to

rate increases during the prior year.” The annual report, which is based in part on the information requested under RSA 420-G:14-a, V, is due November 1 of each year.

4. On or about August 30, 2012, the NHID requested that Respondent supply certain specified information pursuant to RSA 420-G:14-a no later than September 21, 2012. This initial request, which was sent via e-mail to Respondent’s contact as listed at the NAIC, bounced back as undeliverable.
5. On or about August 31, 2012, the NHID resubmitted the request to Respondent via a different e-mail address; a representative of Respondent confirmed that the August 31 e-mail had been received.
6. On or about September 27, 2012, the NHID contacted Respondent by phone to inquire about the overdue data submission.
7. On or about September 28, 2012, a week after the deadline for submitting the requested information, the Respondent’s Senior Contract Analyst acknowledged receipt of the NHID information request and said she would provide a status update.
8. On or about October 3, 2012, Respondent sent the NHID a second e-mail, stating that the requested information would be provided no later than October 19, 2012.
9. Respondent did not supply the requested information until mid-day on October 22, 2012.
10. Respondent’s late submission of the requested information has made it difficult if not impossible to include Respondent’s data in the annual report required under RSA 420-G:14-a, VI.
11. RSA 420-G:16, II provides that the Insurance Commissioner may, after notice and hearing, impose an administrative fine on any health insurance carrier that violates

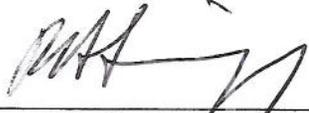
any provision of RSA chapter 420-G. Moreover, RSA 420-G:16, III provides that the Insurance Commissioner may, after notice and hearing, indefinitely suspend or revoke the certificate of authority of any health insurance carrier that violates any provision of RSA chapter 420-G.

12. As stated above, the hearing in this matter shall be conducted on January 29, 2013 at 9:00 a.m. at the offices of the NHID, 21 South Fruit Street, Suite 14 in Concord, New Hampshire. The hearing shall be conducted pursuant to the practices and procedures set forth in RSA 541-A, the New Hampshire Administrative Procedure Act; RSA 400-A, Insurance Department; and New Hampshire Code of Administrative Rules Ins 200, Practices and Procedures.
13. The Insurance Commissioner or his representative shall act as hearing officer at the hearing. Richard P. McCaffrey shall appear as staff advocate, representing the interests of the NHID.
14. Respondent has the right to be represented by counsel at its expense. Should the Respondent elect to obtain counsel, Respondent's counsel shall file a notice of appearance with the Insurance Commissioner at the earliest possible date.
15. Any party may request a transcript of the proceeding. The costs incurred for the services of a certified court reporter shall be borne by the requesting party. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date.

It is SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Dated: 11-9-12

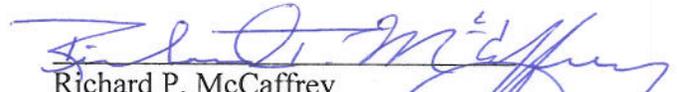


Roger A. Sevigny, Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested, to Celtic Insurance Company at the address on file with the NHID.

Date: 11/9/12



Richard P. McCaffrey
Compliance & Enforcement Counsel