

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of the Proposed)	
Adoption of the Market Conduct)	Docket No. 2974-MC
Review Report of THE EPOCH)	
GROUP, L. C.)	

AMENDED ORDER

NOW COMES on for formal disposition the matter of the proposed adoption of the market conduct review report of The Epoch Group, L.C., a Kansas corporation. This matter is brought before the Commissioner of Insurance for adoption, rejection, or modification pursuant to the provisions of Kansas Statutes Annotated (K.S.A.) 40-222.

I, Kathleen Sebelius, the duly elected, qualified, and acting Commissioner of Insurance of the State of Kansas, having fully considered and reviewed the examination report, together with all written submissions, applicable rebuttals, and all relevant portions of the examiners' work papers, and further being fully advised on all premises, hereby find:

Findings of Fact

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. A market conduct review of The Epoch Group, L.C., was undertaken by the Kansas Insurance Department and was completed on February 1, 2001.

3. Within thirty (30) days following the completion of the examination, the examiner-in-charge tendered and filed with the Kansas Insurance Department a verified written report of the market conduct review under oath.

4. Within thirty (30) days following receipt of the verified written report, the Kansas Insurance Department transmitted the report to The Epoch Group L.C., with a duly executed notice advising the company of its opportunity to prepare and submit to the Kansas Insurance Department a written submission or rebuttal with respect to any and all matters contained in the report. The Epoch Group L.C., was further advised that any written submission or rebuttal needed to be filed with the Kansas Insurance Department no later than thirty (30) days after receipt of the verified report.

5. The Epoch Group L.C., filed a written response of the verified report on February 7, 2001, within the thirty (30) days allowed.

6. Within thirty (30) days following written response, the Commissioner of Insurance fully reviewed the report together with any written response provided by The Epoch Group L.C. The Commissioner of Insurance further reviewed all relevant work papers.

7. Based upon the written submission tendered by The Epoch Group L.C. the company took no exceptions to matters contained in the verified report.

8. No other written submissions or rebuttals were submitted by The Epoch Group, L.C.

Conclusions of Law

9. K.S.A. 40-222(k)(2) provides:

Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review

the report, together with any written submissions or rebuttals and any relevant portions of the examiners workpapers and enter an order:

- (A) Adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, regulation or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure such violations; or
- (B) rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation or information, and refiling pursuant to subsection (k); or
- (C) call and conduct a fact-finding hearing in accordance with K.S.A. 40-281 and amendments thereto for purposes of obtaining additional documentation, data, information and testimony.

10. Based upon the Findings of Fact enumerated in paragraphs #1 through #8 above, the conduct of affairs examination report of The Epoch Group L.C. should be adopted.

Policy Reasons

11. It is stated public policy of the State of Kansas that whenever the Commissioner of Insurance deems it necessary, an examination of the affairs and financial condition of any insurance company in the process of organization, applying for admission, or doing business in this State can be undertaken. In all cases, such an examination must occur once every five (5) years. Through the examination process, the insurance consuming public will be well served and protected.

Notice of Rights

The Epoch Group, L.C., is entitled to a hearing pursuant to K.S.A. 77-5376, the Kansas

Administrative Procedures Act. If The Epoch Group, Inc., wants a hearing, the company must file a written request for a hearing with:

Kathy Greenlee
General Counsel
Kansas Insurance Department
420 S.W. Ninth St.
Topeka, Kansas 66612
785-296-7806

This request must be mailed within fifteen (15) days from the date of this Order. If The Epoch Group, Inc., requests a hearing, the Kansas Insurance Department will notify the company of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of the hearing.

If a hearing is not requested in the time and manner stated above, this Amended Order becomes final and effective upon the expiration of the time for requesting a hearing.

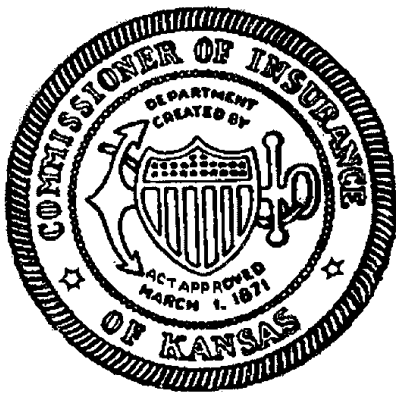
IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

1. The market conduct review of The Epoch Group L.C., is hereby adopted.
2. The Commissioner hereby orders The Epoch Group L.C. to pay the Kansas Health Insurance Association Plan \$29,000, which is in settlement of all claims, liabilities, damages, and penalties that may arise or relate to any overpayments made by The Epoch Group, L.C., under the Kansas Health Insurance Plan for the period of January 1, 1998 through December 31, 1999, and which payment does not constitute an admission or denial of liability by The Epoch Group, L.C.

4. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action necessary to dispose of this matter.

5. The Commissioner further orders pursuant to K.S.A. 40-222(k)(3) that the company file written affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

**IT IS SO ORDERED THIS 10th DAY OF APRIL, 2001, IN THE CITY OF TOPEKA,
COUNTY OF SHAWNEE, STATE OF KANSAS.**



 /s/ Kathleen Sebelius
Kathleen Sebelius
Commissioner of Insurance
BY:

 /s/ Kathy Greenlee
Kathy Greenlee
General Counsel