

October 12, 2010

Via E-Mail – [Sharron.Burton@ky.gov](mailto:Sharron.Burton@ky.gov)  
and U.S. Mail

Ms. Sharron S. Burton  
General Counsel  
Kentucky Department of Insurance  
P.O. Box 517  
Frankfort, KY 40602-0517

RE: Ceasing New Health Benefit Plan Sales

Dear Ms. Burton:

Please accept this letter as written notice that The MEGA Life and Health Insurance Company ("MEGA") has ceased sales of all new individual health benefit plans in the State of Kentucky. MEGA will continue to administer its existing block of individual health benefit plans and currently has no plans to non-renew or discontinue this existing block of business. MEGA has approximately 229 health benefit plans in effect in Kentucky.

We are aware of the provisions of KRS 304.17A-240(3)(b) and understood this provision to apply in cases where a carrier made a decision to discontinue offering and non-renew all existing health benefit plans, thereby withdrawing from the individual market. We now understand from your communications that the Kentucky Department of Insurance also anticipates that a carrier will provide written notice to the Commissioner pursuant to KRS 304.17A-240(3)(b) if a carrier makes a decision to cease offering new health benefit plans, even when the carrier will continue to renew its existing block of business.

Please let us know if you need any additional information. You can contact me at (817) 255-5516 or by e-mail at [Susan.Dew@healthmarkets.com](mailto:Susan.Dew@healthmarkets.com) or Virginia DeTuro at (817) 255-5236 or by e-mail at [Virginia.DeTuro@healthmarkets.com](mailto:Virginia.DeTuro@healthmarkets.com). We appreciate your time and assistance.

Sincerely,



Susan Dew  
Sr. Vice President, Associate General Counsel  
and Chief Compliance Officer  
Corporate Compliance

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