

January 10, 2008

Honorable Kenneth G. Vines
Insurance Commissioner
State of Wyoming
106 East 6th Avenue
Cheyenne, WY 82002

Dear Commissioner Vines:

We are in receipt of the Examination report of WINhealth Partners as of December 31, 2006. We appreciate the opportunity to respond to the recommendations in the report and understand that this response will be incorporated as part of the permanent examination record.

Recommendation 1: It is recommended that the Company hold an annual members meeting for the ratification or acceptance of its Board of Directors before the annual Board meeting in accordance with Article III, Section I of the By-laws.

It is also recommended that the Company amend the By-laws to reflect the fact that the annual members' meeting is to ratify or accept the Board of Directors instead of electing or re-appointing them.

In order to provide clear documentation of an annual members meeting in accordance with the By-laws, the Company will convene and record minutes for a separate annual members meeting to ratify its Board of Directors in accordance with the By-laws.

Recommendation 2: It is recommended that the Company review its fidelity bond coverage annually and make any required adjustments to coverage limits. Additionally, it is recommended that the Company have the present policy amended to include the required discovery and related expiration language added in order to comply with W.S. § 26-34-107(b).

The fidelity bond currently in force has been amended to meet requirements and a process has been implemented to ensure compliance with regulations at each annual renewal.

Recommendation 3: It is recommended that the Company complete its due diligence requirement for 2006 and re-file the 2006 unclaimed property report and remittance for all items written before June 30, 2001, that remain unclaimed as soon as possible.

The Company is in the process of completing due-diligence letters and will complete any outstanding reports and remittance as soon as all responses from payees are received.

Recommendation 4: It is recommended that the Company limit its investments in other-than-overnight repurchase agreements (this does not include an overnight sweep account) with any one bank to 5% in accordance with W.S. § 26-7-106(a)(i). In addition, the repurchase transactions need to be subject to Wyoming law.

It is also recommended that the Company obtain documentation that the bank has collateralized any other-than-overnight repurchase agreements at 102% per SSAP 91 and disclose the other-than-overnight repurchase transactions per SSAP 91, paragraphs 88 through 91, on the Annual Statement footnote 5.E.

Further, it is recommended that the Company follow its investment policy, (as revised in March 2007) or amend the policy to address investments in other-than-overnight repurchase agreements.

The Company embarked on a complete review and restructuring of its surplus investments with the adoption by the Board of Directors of a new Investment Policy and Investment Guidelines in March 2007. As part of the investment restructuring the Company no longer utilizes repurchase agreements for longer than overnight investments.

Recommendation 5: It is recommended that the Company amend its privacy notice and privacy policy to include the required personal/protected financial information wording.

The Company's privacy notice and privacy policy adopted in May 2003 were developed using the model HIPAA Privacy Rule model language regarding protected personal health information. WINhealth will amend its privacy notice and privacy policy to comply with Chapter 54 of the Insurance Regulation to include the required personal/protected financial information wording.

Thank you again for the opportunity to address the recommendations of the examination.

Sincerely,

Beth Wasson
Chief Executive Officer