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AT 12:00

April 14, 2011

State of Wyoming
Department of Insurance
106 East Sixth Avenue
Cheyenne, WY 82002
Attention: The Honorable Kenneth Vines, Commissioner
Ms. Linda Johnson, Chief Examiner

Re: Response to Financial Audit

Commissioner Vines and Ms. Johnson:

WINhealth Partners appreciates the opportunity to respond to the State of Wyoming Department of Insurance Report of Financial Examination as of December 31, 2009.

The past several years have brought considerable change to WINhealth Partners. We are excited about these changes, and are working thought transitions that will allow the company to remain competitive and still offer the comprehensive benefit package and intrinsic value a licensed health maintenance organization brings to the citizens of Wyoming. We are pleased with the Department's findings as we see the seven (7) identified issues as a way to continue to improve on the high level of service we already bring to our Members.

Our response to each recommendation is noted below.

Response to Recommendation 1:

Approving Board decisions only when there is a quorum: The Company does not anticipate that this will happen again. All Board members are called prior to the meeting to ensure that a quorum will be present. Meetings are not started until a quorum is present. If a quorum cannot be reached meetings are rescheduled.

Board approval of all investment transactions: The Company has remedied this issue as noted in the Department's report and will continue to approve these decisions on an ongoing basis. It should be noted that the Board was aware of all financial transactions and that the finance committee approved and guided all financial decisions.

Minutes of finance and audit committee be maintained for review: As noted above there has been tremendous change at WINhealth Partners. Previously, certain documents were not maintained in locations known to more than one or two individuals within the Company. When those individuals left the Company it was difficult to find all documentation. This has been remedied and controls have been put in place so that even if there is another similar change in staffing this will not happen again. Several key employees know where such documents are kept and there is a hard copy kept in the Corporate Board Book.

Response to Recommendation 2:

Conflict of Interest Statements: It should be noted that subsequent to the exam period, WINhealth Partners strengthened its conflict of interest policy to be more in-line with the state non-profit statute. For the current year, all conflict of interest statements have been obtained.

Response to Recommendation 3:

Ensure audit letters do not contain indemnification clauses: This was an oversight that was corrected immediately and the Company does not anticipate this happening again.

Response to Recommendation 4:

Review and adjust fidelity bond coverage annually: This item has been corrected for the 2011 fidelity bond renewal and all future renewals will be reviewed to ensure compliance with the statute.

Response to Recommendation 5:

Verification and compliance with written agreements for insurance brokers: Our reinsurance intermediary had informed us that they were licensed to work in Wyoming, and in fact, they did have such a license. The intermediary has been instructed to draft an agreement between WINhealth in accordance with the statute by April 30, 2011. This will be done upon an annual basis, for so long as an intermediary is used for this function of our business.

Response to Recommendation 6:

Due diligence for related party transactions: Should the need arise to contract with related parties the Company will follow this recommendation.

Response to Recommendation 7:

Periodic reporting of quality assurance activities: The turnover in management brought a renewed enthusiasm to WINhealth Partners. Many of our committee charters were redone during this time. One such charter was the Quality Assurance Committee Charter. Although WINhealth Partners has communicated the quality assurance activities as required by Wyoming Statute, it did not have the communication process noted in the new committee charter. Thus, the charter is being remedied to fix this oversight.

Subsequent Events:

The Company continues to work hard to stay ahead of an ever-changing complex legal and regulatory environment. Given our size, we are by nature disproportionately affected by regulations, and the Patient Protection and Affordable Care Act (otherwise known as healthcare reform) is no different.

Although the Department's actuary found a premium deficiency reserve, our actuary still strongly believes that no such reserve was necessary or existed on December 31, 2009. Nonetheless, by the Company's calculations, even with a premium deficiency reserve, WINhealth Partners reserves remained at over 275% of the risk based capital reserve requirements.

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Should you have questions or concerns regarding these responses, I encourage you to contact me.

Sincerely,

Stephen K. Goldstone
President and Chief Executive Officer

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