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PRESS STATEMENT  
FOR IMMEDIATE RELEASE

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## State and UHA Enter into Stipulated Supervisory Agreement

HONOLULU – May 8, 2001 – Insurance Commissioner Wayne Metcalf today announced that the University Health Alliance ("UHA") stipulated to an order agreeing to State supervision of the insurer.

"Supervision of UHA is an action allowed by law for the State to take in an effort to reform and revitalize the company," explained Metcalf. "UHA's inability to meet the statutory minimum requirement by yesterday's deadline triggered the State's obligation to take a step to ensure that the interests of the insurer's members were protected. The State, therefore, placed UHA under supervision, an action which UHA agreed to."

"UHA fell below its minimum net worth requirement," Metcalf continued, "and did not meet the State's deadline to bring its reserves up to the minimum level. According to the insurer's December 31, 2000 annual filing, UHA reported total reserves and unassigned funds (net worth) of \$825,551, which is approximately \$1,225,000 below the minimum level required by law. Although UHA's March 31, 2001, quarterly statement reported an increase in its net worth, the increase was not sufficient to bring UHA into compliance."

Metcalf concluded, "The State will be sending in an examination team to more precisely determine UHA's assets and obligations in order to determine the best course of action. At this time, the State does not have any information indicating that UHA has not been paying its obligations. However, more action is needed by UHA in order for it to meet its requirements under State laws."

For further information about this press release contact Insurance Commissioner Wayne Metcalf at (808) 586-2790 or check the website at <http://www.state.hi.us/dcca/ins/branches3.html>

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