



proposed testimony by May 26, 2004. The Represented Amici Group may file a reply to any objection to witness testimony by May 28, 2004. I will issue an order about who may testify and how much time will be allotted for such testimony. Any witness of the Represented Amici Group that is allowed to testify at the hearing will do so under oath and will be subject to cross-examination by the parties.

2. The following hearing procedures will apply:

a. **Witnesses:** On or before May 24, 2004, the parties shall file witness lists identifying what witnesses will be called to testify and whether the witnesses will be testifying in person or telephonically. The witness list also should identify the order in which the witnesses will be called.

b. **Exhibits:** On or before June 1, 2004, the parties shall exchange exhibits that will be used by either party with copies filed with the director and served on the Amici. If an exhibit contains proprietary information, a redacted version of the document should be provided to the director (in addition to the unredacted version) and to Amici. If the Represented Amici Group intend to offer exhibits at hearing in connection with witnesses who are allowed to testify, then the Group shall serve them on the parties and the director on or before June 1, 2004.

c. **Hearing Briefs:** While my preference is not to have hearing briefs, I agree with PBC that it may be useful to have briefs that focus solely on the legal standards that should be applied in reaching a decision in this matter. Accordingly, hearing briefs on the applicable legal standards only will be accepted from the parties and Amici on or before June 4, 2004.

d. **Order of Hearing:**

i. **Commencement of the Hearing:** The hearing will begin on June 7, 2004 at 9:00 a.m. The director will begin the hearing with opening remarks and will handle any preliminary matters.

ii. **Opening Statements:** The parties will be asked to give opening statements. PBC will proceed first, followed by Alaska Division of Insurance staff. The Represented Amici Group will be permitted to give an opening statement not to exceed 20 minutes.

iii. **Public Comment:** Following opening statements, public comment will be taken. The purpose of the public comment is to inform the director of areas of concern that the public has regarding the proposed conversion. A sign up sheet will be used at the hearing to identify individuals who want to give comment. Individual members of the public will be given up to five minutes for comment unless the director sets a shorter period to accommodate the number of individuals who have signed up to give comment. Public comment also will be

taken after all evidence has been presented on June 10<sup>th</sup> or 11<sup>th</sup>, depending on when the presentation of evidence including rebuttal evidence is concluded.

iv. **Presentation of Evidence:** After public comment on June 7, the parties will begin presenting evidence including witness testimony and exhibits. PBC will proceed first with its evidence, followed by the division staff. The Represented Amici Group will follow division staff to the extent the group is allowed to present witnesses. Any witness testimony will be subject to cross-examination by the other party and the director. The Represented Amici Group will be given 10 minutes for cross-examination of a party's witness.

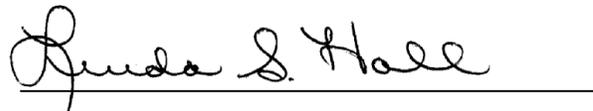
v. **Public Question and Answer Sessions:** On June 8<sup>th</sup> and 9<sup>th</sup>, time will be set aside for the public to ask questions of the parties regarding the evidence presented at the hearing. As recommended by the parties, the director will receive the questions of the public and determine whether PBC or division staff or both should respond. The questions may be oral or may be written on index cards provided at the hearing. The director anticipates allocating an hour and half for the question and answer sessions on the scheduled days. On Wednesday June 9<sup>th</sup>, a larger amount of time may be set aside for question and answers depending on the number of questions presented.

vi. **Rebuttal/Closing Statements:** After the presentation of evidence and the question and answer sessions, the parties may present rebuttal evidence including testimony or exhibits. After this evidence, the hearing again will be open for public comment on the proposed conversion, subject to the limitations described in sub-paragraph iii. The parties then will give closing statements. The Represented Amici Group will be given 20 minutes for closing.

3. The hearing will be recorded. A party may request a full stenographic record of the proceeding, at its own expense, pursuant to AS 21.06.210. Any such request must be filed with the director on or before May 24, 2004.

4. The parties or the Represented Amici Group will need to arrange for their own audio-visual equipment to be used at the hearing. The parties should coordinate with Barbara Karl regarding the use of such equipment.

Dated: May 14, 2004

A handwritten signature in cursive script, reading "Linda S. Hall", written over a horizontal line.

Linda S. Hall  
Director