

STATE OF WASHINGTON

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MIKE KREIDLER  
STATE INSURANCE COMMISSIONER



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. G07-29
	)	
The Financial Examination of	)	FINDINGS, CONCLUSIONS,
<b>VIRGINIA MASON HEALTH SYSTEM</b>	)	AND ORDER ADOPTING REPORT
	)	OF
	)	FINANCIAL EXAMINATION
A Domestic Charitable Gift Annuity Issuer.	)	_____

**BACKGROUND**

An examination of the financial condition of **VIRGINIA MASON HEALTH SYSTEM** (VMHS) as of December 31, 2004, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). VMHS holds a Washington certificate of exemption to issue charitable gift annuities. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings and instructions was transmitted to VMHS for its comments on March 15, 2007. VMHS' response to the report is attached to this order only for the purpose of providing a convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners work papers, and submissions by VMHS.

**FINDINGS**

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 5 of the report.



## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **VIRGINIA MASON HEALTH SYSTEM** (VMHS) and to order VMHS to take the actions described in the Instructions section of the report. The Commissioner acknowledges that VMHS may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

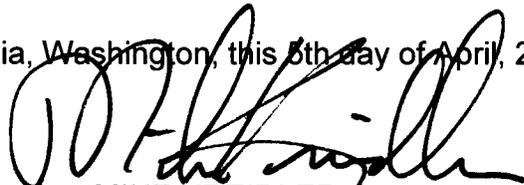
## ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

1. VMHS is ordered to file all Annual Reports under the legal entity granted the Certificate of Exemption pursuant to RCW 48.38.010. Instruction 1, Examination Report, page 1.

IT IS FURTHER ORDERED THAT, the Company file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 5th day of April, 2007.



MIKE KREIDLER  
Insurance Commissioner

MAR 28 2007

INSURANCE COMMISSIONER  
COMPANY SUPERVISION

March 26, 2007

James T. Odiorne, CPA, JD  
Deputy Insurance Commissioner  
Company Supervision Division  
State of Washington, Office of Insurance Commissioner  
P. O. Box 40255  
Olympia, WA 98504-0255

Re: Virginia Mason Health System  
Financial Examination Report of Virginia Mason Health System  
As of December 31, 2004

The above referenced report correctly presents the facts.

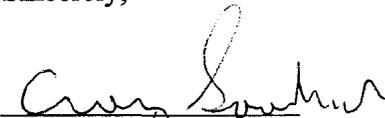
We would like to add the following if possible to the reporting requirement exceptions noted:

“VMHS has filed both the 2005 and the 2006 Annual Report under the legal entity granted by the Certificate of Exemption as instructed.”

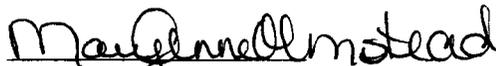
This will reflect what has happened since the time of the 2004 audit.

If you have any questions, please call me at (206) 225-8801 or Mary Anne Olmstead at (206) 625-7371.

Sincerely,



Craig Goodrich  
Senior Vice President  
& Chief Financial Officer



Mary Anne Olmstead  
Assistant Director of Finance