

In the Matter of)

No. 09-103

The Financial Examination of)
PACIFIC LUTHERAN UNIVERSITY)

) **FINDINGS, CONCLUSIONS,**
) **AND ORDER ADOPTING REPORT**
) **OF EXAMINATION**

A Domestic Charitable Gift Annuity Issuer.

BACKGROUND

An examination of the financial condition of **PACIFIC LUTHERAN UNIVERSITY (PLU)** as of May 31, 2007, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). PLU 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, instructions, and recommendations was transmitted to PLU for its comments on July 28, 2009. PLU's response to the report is attached to this order only for the purpose of a more convenient review of the response.

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

Subject to the right of PLU to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 6 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 **PACIFIC LUTHERAN UNIVERSITY** and to order PLU to take the actions described in the Instructions section of the report. The Commissioner acknowledges that PLU may have implemented some of the Instructions prior to the date of this order. The Instructions in the report are appropriate responses 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.

PLU is ordered as follows, these being the Instructions contained in the examination report on pages 1 - 2.

1. PLU is ordered to report the statutory reserve calculated by the actuary pursuant to RCW 48.38.010(10)(c) and an additional 10% surplus as required by RCW 48.38.020(1) and (3). Instruction 1, Examination Report, page 1.
2. Pursuant to RCW 48.38.010(10)(a), PLU is ordered to report to the OIC the correct number of Washington annuity contracts and the correct reserve fund balance in compliance with the OIC Annual Report Instructions. Instruction 2, Examination Report, page 2.
3. Pursuant to RCW 48.38.030, PLU is ordered to review its issued CGA contracts to verify that the terms specified in the contracts are accurately stated. Instruction 3, Examination Report, page 2.

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

ENTERED at Olympia, Washington, this 16th day of September, 2009.



MIKE KREIDLER
Insurance Commissioner



PACIFIC
LUTHERAN
UNIVERSITY

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INSURANCE COMMISSIONER
COMPANY SUPERVISION

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
PO Box 40255
Olympia WA 98504

RE: Financial Examination Report of Pacific Lutheran University
As of May 31, 2007

Dear Mr. Odiorne,

I acknowledge receipt of the draft report. Pacific Lutheran University had reviewed the report and agrees with the findings. Moving forward, the university has systems in place to correctly identify the issues identified in the report and will document them appropriately. Please certify the report and make public as required by the statute.

Thank you,

A handwritten signature in black ink, appearing to read "Robert Riley".

Robert Riley
Associate Vice President of Finance, Controller