



OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of)	No. 11-11
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
CAMP BERACHAH MINISTRIES)	AND ORDER ADOPTING REPORT
)	OF EXAMINATION

A Domestic Charitable Gift Annuity Issuer.

BACKGROUND

An examination of the financial condition of **CAMP BERACHAH MINISTRIES** (CBM) as of December 31, 2009 was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). CBM 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 CBM for its comments on January 6, 2011. CBM'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 CBM.

Subject to the right of CBM 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 8 of the report.

CAMP BERACHAH MINISTRIES
Order Adopting Examination Report
January 26, 2011

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **CAMP BERACHAH MINISTRIES** and to order CBM to take the actions described in the Instructions and Comments and Recommendations sections of the report. The Commissioner acknowledges that CBM may have implemented some of the Instructions and Comments and Recommendations prior to the date of this order. The Instructions and Comments and Recommendations 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.

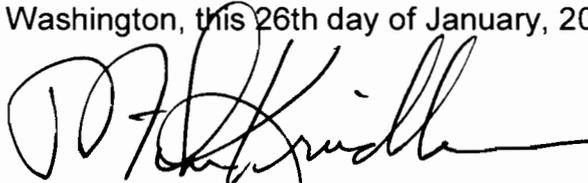
CBM is ordered as follows, these being the Instructions and Comments and Recommendations contained in the examination report on pages 1-3.

1. CBM is ordered to comply with reporting requirements in accordance with RCW 48.38.010(10)(a) and the OIC Annual Report Instructions. Instruction 1, Examination Report, page 1.
2. CBM is ordered to comply with RCW 48.38.020(2)(b) and invest CGA assets in the same manner that persons of reasonable prudence, discretion, and intelligence would exercise. CBM is also ordered to have its BOD review and approve all investment transactions and document the approval in the BOD minutes. Instruction 2, Examination Report, page 2.
3. CBM is ordered to increase the separate reserve fund calculated by the actuary by a surplus of 10 percent pursuant to RCW 48.38.020(3)(c). Instruction 3, Examination Report, page 2.
4. CBM is ordered to comply with RCW 48.38.030(5) by including the reasonable or present value as of the date of the agreement of the benefits created on each charitable annuity contract or policy form. Instruction 4, Examination Report, page 2.

5. It is ordered that CBM consider following its conflict of interest policy which requires completion of a conflict of interest form when a conflict of interest occurs or is suspected. When a conflict exists, CBM should consider following the required procedures, including a review by the Executive Committee of all possible conflicts of interest, excusing the person from any BOD deliberation, and an annual review performed of related party transactions. The review and disposition of all conflicts of interest should be clearly documented in the BOD and executive committee minutes. Comments and Recommendations 1, Examination Report, page 3.

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

ENTERED at Olympia, Washington, this 26th day of January, 2011.

A handwritten signature in black ink, appearing to read "Mike Kreidler", written over a faint, illegible background.

MIKE KREIDLER
Insurance Commissioner

January 14, 2011

RECEIVED

James Odiorne
State of Washington
Office of Insurance Commissioner
PO Box 40259
Olympia, WA 98504-0259

JAN 18 2011

**INSURANCE COMMISSIONER
COMPANY SUPERVISION**

Dear Mr. Odiorne:

We have reviewed the draft examination report and offer the following comments:

Charitable Gift Annuity Investments were made with the full approval of the board, and were represented to be in accordance with CBM's investment directives, by the funds manager who was also a board member at the time. The board was informed and approved the Gift Annuity Program (Board Minutes 1/27/2001). The management agreement with Covenant Group was also approved by board motion on 9/20/2001.

In 2008 and 2009 the President informed the board of concerns over the viability of the annuity investment accounts, and on 10/1/2009 the recommendation was made to terminate agreements and withdrawal funds from Covenant Group. The board approved that recommendation on 10/8/2009.

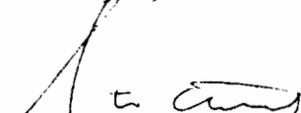
A review of past minutes and monthly reports to the board shows discussion and full knowledge of the investments and management of the annuity accounts.

CBM has and will continue to meet the required reserve fund as called for in RCW 48.38.020(3)(c)

Upon review of the annuity contracts, they all appear to show the reasonable values at the time of investment. Each agreement has a stated "reasonable commensurate value" in section 4 of the gift annuity agreement.

Conflict of Interest – Although not extensively documented in board minutes, the conflict of interest of the former board chairman was identified on several occasions. The actions taken through the whole process of CBM trying to close the account with Covenant Group and recover those funds, resulted in the resignation of the individual involved.

Thank you,



Steve Altick
President/CEO
Camp Berachah Ministries