



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. 11-17
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
UGM FOUNDATION OF SPOKANE)	AND ORDER ADOPTING REPORT
)	OF EXAMINATION

A Domestic Charitable Gift Annuity Issuer.

BACKGROUND

An examination of the financial condition of **UGM FOUNDATION OF SPOKANE** (UGMF) as of August 31, 2009 was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). UGMF 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, in draft form, with the findings, instructions, and recommendations was transmitted to UGMF for its comments on December 17, 2010. UGMF's response to the draft 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 UGMF.

Subject to the right of UGMF 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 **UGM FOUNDATION OF SPOKANE** and to order UGMF to take the actions described in the Instructions section of the report. The Commissioner acknowledges that UGMF 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.

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

1. UGMF is ordered to report the statutory reserve calculated by its consulting actuary pursuant to RCW 48.38.010(10)(c), plus an additional ten percent as required by RCW 48.38.020(1) and (3)(c). Instruction 1, Examination Report, page 2.
2. Pursuant to RCW 48.38.030(1) and (5), UGMF is ordered to properly record in the annuity contract the value of the property to be transferred and the reasonable value of the benefit created. Instruction 2, Examination Report, page 2.

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

ENTERED at Olympia, Washington, this 8th day of February, 2011.



MIKE KREIDLER
Insurance Commissioner



UNION GOSPEL MISSION

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- Women's Recovery Program – Anna Ogden Hall
- Crisis Shelter for Women & Children
- Youth Outreach
- Thrift Stores
- UGM Motors

February 3, 2011

Mr. James Odiorne, CPA, JD
Deputy Insurance Commissioner
Office of Insurance Commissioner
5000 Capitol Blvd.
Tumwater, WA 98501

Dear Mr. Odiorne

I have received the draft of the financial examination of the Charitable Gift Annuity Business of Union Gospel Mission Foundation of Spokane.

I agree with your findings as they have been reported.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dean Bitz', written over a light blue horizontal line.

Dean Bitz
Business Administrator