

STATE OF WASHINGTON

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER

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OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. 12-133
	)	
The Financial Examination of	)	FINDINGS, CONCLUSIONS,
<b>LUTHERAN BIBLE INSTITUTE</b>	)	AND ORDER ADOPTING REPORT
<b>OF SEATTLE</b>	)	OF EXAMINATION

A Domestic Charitable Gift Annuity Issuer.

**BACKGROUND**

An examination of the financial condition of **LUTHERAN BIBLE INSTITUTE OF SEATTLE (LBIS)** as of June 30, 2011 was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). LBIS 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 LBIS for its comments on April 17, 2012. LBIS'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 LBIS.

Subject to the right of LBIS 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.

LUTHERAN BIBLE INSTITUTE OF SEATTLE  
Order Adopting Financial Examination Report  
May 15, 2012



## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **LUTHERAN BIBLE INSTITUTE OF SEATTLE** and to order LBIS to take the actions described in the Instructions and Comments and Recommendations sections of the report. The Commissioner acknowledges that LBIS 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.

LBIS is ordered as follows, these being the Instructions and Comments and Recommendations contained in the examination report on pages 1 - 2.

1. LBIS is ordered to comply with RCW 48.38.010(10)(a) and the OIC Annual Report Instructions by only including the certificate of exemption holder in the annual report submitted to the OIC. Instruction 1, Examination Report, page 1.
2. Pursuant to RCW 48.38.020(1) and (3), LBIS is ordered to maintain, at all times, a separate reserve fund adequate to meet the future payments under its charitable gift contracts. Instruction 2, Examination Report, page 2.
3. It is ordered that LBIS's Board of Directors consider submitting conflict of interest statements annually in accordance with LBIS's conflict of interest policy. Comments and Recommendations 1, Examination Report, page 2.

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

ENTERED at Olympia, Washington, this 15th day of May, 2012.



MIKE KREIDLER  
Insurance Commissioner



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INSURANCE COMMISSIONER  
COMPANY SUPERVISION

May 7, 2012

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

RE: Examination Report of Trinity Lutheran College  
As of June 30, 2011

Dear Mr. Odiorne:

The following are our comments on the above referenced examination report.

**Reporting Requirements:** LBIS/Trinity will no longer include its affiliate, Trinity Education Foundation (which was not doing business prior to the year ending June 30, 2010), in future OIC Annual Reports.

**Inadequate Separate Reserve Fund:** It is the intent of the organization to restore the reserve fund to satisfy the requirements of RCW 48.38.020 as quickly as possible.

**Conflict of Interest Policy:** LBIS/Trinity will reinstate the practice of requiring each member of the Board of Directors to submit an annual conflict of interest statement.

Please contact me if you have any questions concerning our comments or would like to discuss them further.

Sincerely,

Thomas W. Ramsey  
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Trinity Lutheran College  
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