



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. 13-36
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
TIMBER PRODUCTS MANUFACTURERS)	AND ORDER ADOPTING REPORT
TRUST)	OF FINANCIAL EXAMINATION
)	

A Domestic Self-Funded Multiple
Employer Welfare Arrangement (MEWA).

BACKGROUND

An examination of the financial condition of **TIMBER PRODUCTS MANUFACTURERS TRUST**, (the Trust) as of December 31, 2011, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Trust holds a Washington certificate of registration as a self-funded multiple employer welfare arrangement (MEWA). 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 the Trust for its comments on January 15, 2013. The Trust'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 the Trust.

Subject to the right of the Trust 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 10 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 **TIMBER PRODUCTS MANUFACTURERS TRUST**, and to order the Trust to take the actions described in the Instructions and Comments and Recommendations sections of the report. The Commissioner acknowledges that the Trust 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.

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

1. The Trust is ordered to comply with RCW 48.05.250 by filing a true statement of its financial condition, transactions, and affairs and to follow the NAIC Annual Statement Instructions and the AP&P, as required under WAC 284-07-050(2). The Trust is also instructed to execute a revised or amended custodial agreement that complies with the FCEH. Instruction 1, Examination Report, page 1.
2. The Trust is ordered to comply with RCW 48.05.073 and RCW 48.05.250 by filing its financial statements in the general form and context approved by the NAIC and with WAC 284-07-050(2), which requires adherence to the NAIC Annual Statement Instructions and the AP&P. Instruction 2, Examination Report, page 2.
3. The Trust is ordered to consider that each member of the Board of Trustees and each employee who performs administrative functions for the Trust submit a Certificate Regarding Policy Statement on Conflicts of Interest annually in accordance with TPMT's policy regarding conflicts of interest. Comment and Recommendation 1, Examination Report, page 3.
4. The Trust is ordered to consider maintaining the number of trustees in accordance with the Trust Agreement. Comment and Recommendation 2, Examination Report, page 3.

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

ENTERED at Olympia, Washington, this 31st day of January, 2013.

A handwritten signature in black ink, appearing to read "Mike Kreidler". The signature is fluid and cursive, with the first name "Mike" being more prominent than the last name "Kreidler".

MIKE KREIDLER
Insurance Commissioner



January 24, 2013

Mr. James T. Odiome, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
State of Washington
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504

RECEIVED
JAN 29 2013
INSURANCE
CO.

RE: Financial Examination Report of Timber Products Manufacturers Trust

Dear Mr. Odiome,

I am in receipt of the Draft Financial Examination Report of the Timber Products Manufacturers Trust. The Trust thanks the Commissioner for the opportunity to review the draft report and provide the comments below.

INSTRUCTIONS SECTION

Trust Comments:

1. Washington Trust Bank Custodial Agreement

Per discussions with the Washington Office of the Insurance Commissioner, a copy a new Custodial Agreement between the Trust and Washington Trust Bank was provided to the Commissioner's office for review in order to ensure that the Agreement complies with RCW requirements or to make any changes necessary to comply with the RCW.

2. NAIC Annual Statement Errors, Omissions, and Misclassifications

Per discussions with the Commissioner's Office, the Trust will comply with these requirements in future filings.

COMMENTS AND RECOMMENDATIONS SECTION

Trust Comments:

1. Conflict of Interest Policy

Each Board of Trustee Member and each Association employee who performs administrative functions has signed a new Conflict of Interest Policy statement and will do so annually each December.

2. Board of Trustees

The Trust Agreement was recently amended to reflect that the Association Board of Directors may appoint "up to" nine trustees to give the Board of Directors wider latitude in the number of Trustees it deems necessary.

On behalf of the Board of Trustees, we appreciate the Commissioner's Office in bringing these matters to our attention and the courtesy extended by your staff.

Sincerely,



Andrew E. Tomlinson, Chairman
Timber Products Manufacturers Trust