MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G06-7
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
Farmers Insurance Exchange	)	
Truck Insurance Exchange	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Foreign Insurers	)	
	)	

BACKGROUND

An examination of the market conduct of **Farmers Insurance Exchange and Truck Insurance Exchange** (the Companies) as of December 31, 2004 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Companies, domiciled in the state of California each hold a Washington certificate of authority as a reciprocal insurer. 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 Companies for their comments on December 22, 2005. The Companies' response to the report is attached to this order only for the purpose of providing convenient review of the response.

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

Subject to the right of the Companies 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 3 through 23 of the report.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Farmers Insurance Exchange and Truck Insurance Exchange** and to order the Companies to take the actions described in the Instructions and Recommendations section of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Companies are ordered as follows, these being the Instructions contained in the examination report on page 20.

1. The Companies are ordered to comply with RCW 48.05.190(1) and ensure that all checks and correspondence identify the full name of the insurer. (Instruction 1, Page 20)

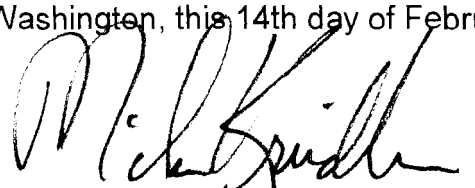
2. The Companies are ordered to comply with RCW 48.19.040(1) and (6) and ensure that all policies are rated according to the filed rates. (Instruction 2, Page 20)

3. The Companies are ordered to comply with RCW 48.18.2901 and ensure that policyholders are notified of a change in rates that affects the premium or changes in contract provisions at renewal. (Instruction 3, Page 20)

4. The Companies are ordered to comply with WAC 284-30-570 and ensure that all cancellation or non-renewal notices give sufficient information so that the insured does not need to do additional research to understand the Company's decision. (Instruction 4, Page 20)

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

ENTERED at Olympia, Washington, this 14th day of February, 2006.



MIKE KREIDLER
Insurance Commissioner