

MEMORANDUM

FILED

TO: Patricia Petersen, Chief Hearing Officer
Carol Sureau, Deputy Insurance Commissioner, Legal Affairs

FROM: Jim Odiorne *[Signature]*

DATE: July 15, 2008

RE: Appeal and request for hearing
Farmers New World Life Insurance Company

2008 JUL 15 A 9:17

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

Attached please find a copy of an appeal and request for hearing received by fax at about 4:21pm on July 14, 2008.

This matter was brought to Christina Beusch's attention late Friday, July 11, 2008. On Saturday, July 12, 2008, with my input and consent, Ms. Beusch negotiated with Mr. Kindinger a procedural agreement on this matter. I am attaching Ms. Beusch's e-mail memorializing the agreement and Mr. Kindinger's e-mail confirming the agreement.

We expect a similar appeal and request for hearing to be filed by Farmers Insurance Company of Washington, and we will promptly forward it to you.

Please let me know if you need other information.

cc: Vernon Stoner
Christina Beusch

RS
EC

Ryan, Swanson Cleveland, PLLC

2008 JUL 15 A 9:22

Facsimile Cover Sheet

ED(KSSR-HABSRNCX-KEHR-PKXY-AFTN-HYAPCTXWPYHX)

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

Date: July 14, 2008

Client/Mtr No.: 007580-00001

Number of pages (including this cover page): 5

To:	Facsimile:	Telephone:
James T. Odiorne, Esq. Washington State Office of the Insurance Commissioner	360.586.2022	1.360.789.4458

From: Jerry Kindinger

The original of this facsimile transmission will be:

retained on file sent to you via U.S. Mail sent to you via courier

Please notify us immediately at 206.464.4224 if this transmission is not received properly.

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(routing code expires 07/14/09)

ED(KSSR-HABSRNCX-KEHR-PKXY-AFTN-HYAPCTXWPYHX)

Comments: Attached please find my letter dated July 14, 2008 regarding Farmers New World Life Insurance Company along with our Request for Hearing.

Charter Member of TAGLaw, a worldwide network of law firms

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Ref. No. 531653.01/007580.00001

July 14, 2008

**VIA FACSIMILE (360.586.2022)
& U.S. MAIL**

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Washington State Office of the Insurance Commissioner
5000 Capitol Boulevard
Tumwater, WA 98501

and

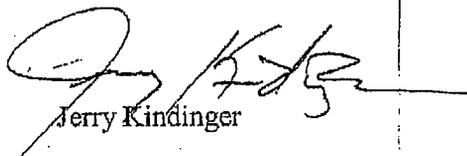
PO Box 40255
Olympia, WA 98504-0255

Re: Farmers New World Life Insurance Company

Dear Mr. Odiorne:

Enclosed please find Farmers New world Life Insurance Company's Request for Hearing.

Very truly yours,


Jerry Kindinger

JK:sks

Enclosure

cc: Honorable Mike Kreidler,
Commissioner (w/encl., via U.S. Mail)
Christina Beusch (w/encl., via U.S. Mail)
Client (w/encl.)

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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the matter of:

FARMERS NEW WORLD LIFE INSURANCE
COMPANY

NO.

REQUEST FOR HEARING

Farmers New World Life Insurance Company ("Farmers") hereby requests a hearing in accordance with the provisions of RCW 48.03.040, RCW 48.04 and RCW 34.05 to adjudicate Farmers' objections to the Office of the Insurance Commissioner's (the "OIC") certified Report of Examination - as of December 31, 2006. Farmers received the certified examination report on July 10, 2008 and timely requests a hearing pursuant to RCW 48.03.040(3).

Farmers raises the following objections to the content of the certified examination report:

1. Instruction No. 5 - Securities Lending - Farmers objects to the OIC's conclusion that Farmers improperly reported cash collateral resulting from a securities lending

REQUEST FOR HEARING - 1

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1 agreement as an asset. Farmers further objects to the OIC's downward adjustment to its
2 financial statement to reflect the OIC's position.

3 2. Instruction No. 6(b) - NAIC Actuarial Guidelines - Traditional Premium
4 Paying Policies Reserve Calculations - Farmers objects to the OIC's conclusion that its
5 reserves are not calculated in conformity with NAIC Actuarial Guidelines.

6 3. Instruction No. 7 - Advance Premiums - Farmers objects to the OIC's
7 conclusion that Farmers is misclassifying amounts received for modal premiums.

8 4. Instruction No. 8 - Substandard Reduced Paid-Up Policies - Farmers objects
9 to the OIC's conclusion that Farmers' actuarial opinions relating to substandard mortality
10 tables are in violation of WAC 284-07-380(2)(f)(v).

11 5. Instruction No. 9 - Indeterminate Premium Universal Life - Farmers objects to
12 the OIC's conclusion that it is violating WAC 284-84-050(2) by not testing the reserves on
13 Indeterminate Premium Universal Life.

14 WHEREFORE, Farmers, requests that the Hearing Officer provide the following
15 relief:

16 1. That the Hearing Examiner issue an order scheduling a hearing under RCW
17 48.03.040(3) to adjudicate Farmers' objections to the certified examination report;

18 2. That the Hearing Examiner enter an order in conformity with RCW
19 48.03.040(3) prohibiting the publication of the certified examination report until the hearing
20 has been closed;

21 3. That the Hearing Examiner enter an order rejecting the certified examination
22 report as filed and ordering modification to Instruction Nos. 5, 6(b), 7, 8, and 9; and

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REQUEST FOR HEARING - 2

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2 4. That Farmers is entitled to such other and further relief as the hearing officer
3 may deem appropriate under the circumstances.

4 DATED this 7th day of July, 2008.

5 RYAN, SWANSON & CLEVELAND, PLLC

6
7 By 
8 Jerry Kindinger, WSBA #5231
9 Gulliver A. Swenson, WSBA #35974
Attorneys for Farmers New World Life
Insurance Company

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