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THE HONORABLE MIKE KREIDLER

2010 NOV -9 A 10:57

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

BEFORE THE OFFICE OF THE INSURANCE COMMISSIONER  
IN THE STATE OF WASHINGTON

*In The Matter Of:*

FEDERAL INSURANCE COMPANY,  
PACIFIC INDEMNITY COMPANY, GREAT  
NORTHERN INSURANCE CO.,  
EXECUTIVE RISK INDEMNITY, INC.,  
VIGILANT INSURANCE COMPANY,  
NORTHWESTERN PACIFIC INDEMNITY  
CO.,

Authorized Insurers.

Re: Order Nos.: 10-0209 and 10-0210

**DEMAND FOR A HEARING FROM  
ORDER NO. 10-0210, DEMAND FOR  
CONSOLIDATION OF THE HEARINGS  
ON ORDER NOS. 10-0209 AND 10-0210,  
DEMAND TO APPOINT AN  
ADMINISTRATIVE LAW JUDGE, AND  
DEMAND FOR A STAY OF  
EXECUTION OF ORDER NO. 10-0210  
PENDING THE HEARING**

COME NOW Federal Insurance Company, Pacific Indemnity Company, Great Northern Insurance Co., Executive Risk Indemnity, Inc., Vigilant Insurance Company, and Northwest Pacific Indemnity Co. ("Respondents") by and through their undersigned counsel, and file this demand pursuant to RCW 48.04.010 and demand an administrative hearing with respect to Order No. 10-0210 ("Order"), which was issued on November 8, 2010, from the Office of the Insurance Commissioner ("OIC"), and which purported to suspend the Respondent's from writing new business in the State of Washington for a period of nine months commencing on November 18, 2010.

The Respondents further demand that the Notice of Hearing to Request Imposition of a Fine, Order No. 10-0209, which was issued on November 8, 2010, from the OIC ("Notice") be immediately consolidated with the hearing on the Order. Both the Order and the Notice

DEMAND FOR A HEARING, CONSOLIDATION, APPOINTMENT OF  
ADMINISTRATIVE LAW JUDGE, AND STAY OF EXECUTION OF ORDER  
PENDING HEARING - 1

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1 involve common issues of law and fact. The Respondents respectfully request that the hearing  
2 on both matters, the Order and the Notice, be rescheduled and consolidated, with a prehearing  
3 conference in such consolidated matter to be scheduled for January 21, 2011.

4 The Respondents further demand that the OIC immediately appoint an administrative  
5 law judge to preside over this matter, and that the OIC immediately notify the Respondents  
6 what administrative law judge and / or officers or members of the OIC will preside over the  
7 hearing. Pursuant to RCW 48.04.020, the Respondents also demand a stay of the execution of  
8 the Order pending resolution of the administrative hearing(s), and that the OIC immediately  
9 confirm in writing that an automatic stay is in-force pursuant to that statute.

10 HAVING MADE THE FOREGOING DEMANDS, the Respondents hereby provide  
11 notice to the OIC, pursuant to RCW 48.04.010(2), that Respondents intend to seek relief from  
12 the Order and will challenge the Notice seeking imposition of a fine based on, inter alia, the  
13 following legal and factual grounds:

- 14 (1) The suspension and the proposed fines are violative of the Respondents'  
15 rights to equal protection and due process guaranteed by the constitutions  
16 of the United States and the State of Washington.
- 17 (2) The Respondents deny the factual allegations contained in the Order and  
18 Notice and demand strict proof thereof at the time of the hearing.
- 19 (3) The penalties and sanctions sought to be imposed in the Order and Notice  
20 are excessive, unfair and contrary to the public interests.
- 21 (4) The OIC has not alleged any actual or potential consumer harm and the  
22 penalties and sanctions sought to be imposed in the Order and Notice as  
23 disproportionate to the alleged violations.
- 24 (5) Any suspension of the Respondents' authority to write new business is  
25 unreasonable and unwarranted under the facts of this case.
- 26 (6) The imposition of the penalties and sanctions sought to be imposed in the

DEMAND FOR A HEARING, CONSOLIDATION, APPOINTMENT OF  
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PENDING HEARING - 2

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DATED this 9th day of November, 2010.

COZEN O'CONNOR

By: T.M.

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Indemnity Co.

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DEMAND FOR A HEARING, CONSOLIDATION, APPOINTMENT OF  
ADMINISTRATIVE LAW JUDGE, AND STAY OF EXECUTION OF ORDER  
PENDING HEARING - 4

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