

daughter did not learn of the nonpayment until September 9, 2009, when she went to her mother's vacated home to collect her mail.

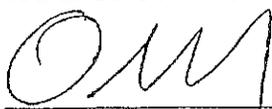
4. On September 11, 2009 the consumer's daughter, who was also the consumer's WAC 284-54-253 designee, faxed a request to the Company to please contact her about the lapse. On September 15, 2009, the consumer's daughter spoke with a Company representative. She explained that she just learned of her mother's policy lapse, she explained that her mother had a cognitive impairment, and she requested that the Company reinstate the policy. She also explained that she had just worked with a Company representative on a claim for her mother in August of 2009, but that no one from the Company told her about the policy lapsing. The Company's representative told her to provide the Company with the documentation showing her mother's cognitive impairment. On September 30, 2009 the consumer's daughter faxed copies of medical records from the July hospitalization disclosing her mother's history of dementia.
5. The Company refused to reinstate coverage. The Company contended that while the insured had a right to reinstate within five months, the 5 months commenced on the day the premium was due, not after the additional period provided by the Company's March 20 notice.
6. OIC told Ability that the very soonest the contract could have lapsed would have been 30 days from the date of the March 20, 2009 letter, or Sunday, April 19, 2009, and that the Company was required under WAC 284-54-253(2) to allow reinstatement if the insured or her designee sought reinstatement within five months of April 19.
7. The Company's improper refusal to allow reinstatement within five (5) months of the lapse date that was required under WAC 284-54-253 violates WAC 284-54-253.

Any violation of the terms of this Order by Respondent, their officers, directors, agents, or employees, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.05.140, and other applicable sections of the Insurance Code of the State of Washington.

Respondent has the right to demand a hearing pursuant to RCW Chapters 48.04 and 34.05. This Order shall remain in effect subject to the further order of the Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 27th day of April, 2011.

MIKE KREIDLER
Insurance Commissioner

By: 
Alan Michael Singer, Staff Attorney
Legal Affairs Division

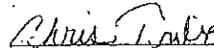
CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER TO CEASE AND DESIST on the following Company via US Mail.

Ability Insurance Company
1515 S 75th St
Omaha, NE 68124-1655

SIGNED this 27th day of April, 2011, at Tumwater, Washington.


Chris Tribe