ARROWHEAD® GENERAL INSURANCE AGENCY, INC.

INSURER'S NAME: STARR INDEMNITY & LIABILITY COMPANY
PRODUCER CODE: 202201
PRODUCER LICENSE #: 115305
PRODUCER NAME: Orion Insurance Group, Inc.
PRODUCER PHONE #: (425)771-5197

WASHINGTON AUTO INSURANCE APPLICATION

Customer Number:	81711859
Policy Number:	3503067170
Effective Date & Time:	08/20/2010 05:33 PM PST
Policy Term / Pay Plan:	6 Months / Direct Monthly
Down Payment:	$199.00
Payment Type:	Agency Sweep
Transmit Date & Time:	08/20/2010 05:33 PM PST
Bridged / Re-Rated:	MULTICD / Y

NAMED INSURED MUST BE THE REGISTERED OWNER AND MUST BE LISTED AS A DRIVER. NO COVERAGE EXISTS PRIOR TO THE DATE AND HOUR OF THIS APPLICATION.

NAMED INSURED: [redacted] NGOC PHAN	Home Phone Number: 425-772-7116 Work Phone Number:
MAILING ADDRESS (PO, Box, Garaging Address Required) 4716 176th st sw apt lynnwood, WA 98037	
GARAGING ADDRESS (IF DIFFERENT THAN MAILING) 4716 176th st sw apt lynnwood, WA 98037	

DRIVER INFORMATION: COMPLETE FOR NAMED INSURED, SPOUSE AND ALL LICENSED PERSONS RESIDING IN HOUSEHOLD

Dr. No.	Full Name Of All Drivers (As Listed on License)	Sex M/F	M-Married S-Single	Living with Spouse?	Relationship To Applicant	Date of Birth	# Years Licensed	Drivers License Number	State
1.	ngoc phan	M	S		SELF	11/27/1990	3	PHAM*NT105QT	WA

IF SPOUSE NOT LICENSED, EXPLAIN

FILING INFORMATION
Producer must use preassigned policy number on filing.

ADDITIONAL DRIVER INFORMATION:

Dr. No.	Occupation Description (Please indicate if self-employed)	Name of Employer/School	Complete Address (Street & City) of Employer or School	Employer's Business	Years w/Employer	Type: (Owner or Operator)
1.	Homemaker					

Insured: Applicant NGOC PHAN	Customer Number: 8121 1859	Policy Number: 3020067170

ACCIDENTS AND CONVICTIONS WITHIN PAST 36 MONTHS - GIVE COMPLETE INFORMATION ON ALL DRIVERS

Dr. No.	Incident	Occurrence Date	Description / Outcome

AUTOMOBILE INFORMATION: DESCRIPTION OF THE AUTOMOBILES TO BE INSURED

Auto	Year	Make and Model	Vehicle Identification Number (VIN)	Value	Purchase Date	New or Used
1.	2004	Honda ACCORD EX	1HGCM66594A068600	0		Used

ADDITIONAL INSURED/LIENHOLDER: Unless the full name and address of the proposed Additional Insured/Lienholder is identified, the policy will not provide any rights or coverage to any Additional Insured/Lienholder and/or other person claiming to have any interest in the insurance herein applied for.

Auto	AI/LH	Additional Insured/Lienholder Name and Address

ADDITIONAL AUTOMOBILE INFORMATION:

Auto	Total Annual Mileage	# Miles Driven to Work or School - One Way	# Days Per Week	Current Odometer	Usage? B/P	Rating Territory	Rated Driver	Points	ISO CTC Symbol	ISO Coll Symbol	DISCOUNTS/CREDITS	SURCHARGES
1.	7500	15	5		Commute	22	1	0	15	15		

	YES	NO
1. Has Producer inspected all vehicles for which Physical Damage Coverage is requested?	☑	☐
2. Does inspection reveal any existing damage?	☐	☑

If existing damage, please list vehicle numbers, amount of damage, explanation and extent of damage.

Auto	Description of Damage	Repair Estimate

Insured: NGOC PHAN	Customer Number: 011111859	Policy Number: 3503067170

COVERAGES AND LIMITS OF LIABILITY			COVERAGES PROVIDED WHEN PREMIUM INDICATED						
COVERAGES			PREMIUM						
			AUTO 1	AUTO 2	AUTO 3	AUTO 4	AUTO 5	AUTO 6	AUTO 7
LIABILITY	BODILY INJURY	25000 EACH PERSON 50000 EACH ACCIDENT	441.00						
	PROPERTY DAMAGE	25000 EACH ACCIDENT	374.00						
PERSONAL INJURY PROTECTION		EACH PERSON	No Coverage						
UNDERINSURED MOTORISTS	BODILY INJURY	25000 EACH PERSON 50000 EACH ACCIDENT	71.00						
	PROPERTY DAMAGE	20000 EACH ACCIDENT	32.00						
OTHER THAN COLLISION			No Coverage						
COLLISION			No Coverage						
RENTAL REIMBURSEMENT		$35 per day, $900 maximum per claim	No Coverage						
TOWING AND LABOR COST		$75 per disablement, $300 maximum	No Coverage						
AUTO LOAN/LEASE COVERAGE (NEW CARS ONLY)			No Coverage						
		TOTAL PER CAR	920.00						
			FINANCIAL RESPONSIBILITY FILING FEE(S)						0.00
			NEW BUSINESS POLICY FEE						15.00
			TOTAL POLICY PREMIUM						935.00

VEHICLES WITH PHYSICAL DAMAGE COVERAGES		DEDUCTIBLE(S)	
AUTO	YEAR, MAKE MODEL	OTHER THAN COLLISION	COLLISION
1	2004 Honda ACCORD EX	No Coverage	No Coverage

Insured: NGOC PHAN	Customer Number: 11121859	Policy Number: 3503067170

NOTICE OF SELECTION / REJECTION OF UNDERINSURED MOTORISTS BODILY INJURY AND UNDERINSURED MOTORISTS PROPERTY DAMAGE COVERAGE

PLEASE READ BEFORE SIGNING

Underinsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of bodily injury or property damage caused by an automobile accident. Also included are damages due to bodily injury or property damage that result from an automobile accident with a hit-and-run vehicle whose owner or operator cannot be identified.

Unless rejected in whole or in part, Underinsured Motorists Coverage will be provided at limits equal to your policy's Bodily Injury Liability Coverage Limits. Property Damage Underinsured Motorists Coverage need only be issued in conjunction with Bodily Injury Underinsured Motorists Coverage, unless you reject this coverage.

Understanding this, I sign this acceptance / rejection as witnessed by my signature below with respect to all vehicles covered under this policy. Further, this acceptance / rejection applies not only to this policy, but also to all renewals thereof unless I instruct the Company to the contrary in writing. Understanding these coverages, I hereby sign this acceptance / rejection for this coverage and request the policy be issued.

Selection of Bodily Injury AND Property Damage Underinsured Motorists Coverage Limits

☑ I select Bodily Injury Underinsured Motorists Coverage at limits equal to my Liability Coverage AND Property Damage Underinsured Motorists Coverage at limits indicated below; OR

☐ I reject Bodily Injury Underinsured Motorists Coverage at limits equal to my Liability Coverage and I select Bodily Injury Underinsured Motorists Coverage AND Property Damage Underinsured Motorists Coverage at the following limits:

Bodily Injury Underinsured Motorists Coverage

☑ $25,000 / $50,000 ☐ $50,000 / $100,000 ☐ $100,000 / $300,000

Property Damage Underinsured Motorists Coverage

☐ $10,000 ☑ $20,000 ☐ $25,000 ☐ $50,000

Rejection of Property Damage Underinsured Motorists Coverage and Selection of Bodily Injury Underinsured Motorists Coverage Only

☐ I reject Property Damage Underinsured Motorists Coverage and select ONLY Bodily Injury Underinsured Motorists Coverage at limits equal to my Bodily Injury Liability Coverage limits for Liability Coverage; OR

☐ I reject Property Damage Underinsured Motorists Coverage and select ONLY Bodily Injury Underinsured Motorists Coverage at the following limit(s) which are lower than the limits of my Liability Coverage.

Bodily Injury Underinsured Motorists Coverage

☐ $25,000 / $50,000 ☐ $50,000 / $100,000 ☐ $100,000 / $300,000

Rejection of Bodily Injury AND Property Damage Underinsured Motorists Coverage

☐ I reject Bodily Injury AND Property Damage Underinsured Motorists Coverage

APPLICANT'S SIGNATURE (MUST BE SIGNED) 08/20/2010 03:33 PM PST DATE

Washington - State Universal Liability Company - Program 213
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Insured: ~~[illegible]~~ NGOC PHAN	Customer Number: 81111859	Policy Number: 3503067170

APPLICANT QUESTIONNAIRE

	YES	NO
1. Are any vehicles listed regularly garaged overnight away from your primary residence?	Unacceptable	☑
2. Are any vehicles listed custom, show, altered, racecars or have more or less than four wheels?	Unacceptable	☑
3. Are any vehicles used for delivery purposes or for any other commercial purposes? (Examples: pizza or newspaper delivery.)	Unacceptable	☑
4. Are all vehicles listed registered to the Applicant (Named Insured)?	☑	Unacceptable
5. Are there any drivers who may operate your vehicle(s) on a REGULAR or any INFREQUENT basis that have not been listed on this application? This includes all household members. If yes, please explain.	☐ Explain	☑
6. Are any vehicles listed van conversions, trailers, over 15 years old, rebuilt, salvaged, gray market, antique, classic, historic, limited production, actual cash value exceeding $50,000, optional or special equipment valued over $2,000? If yes, please list the vehicle number, explain and do not bind Other Than Collision/Collision coverage.	☐ Do Not Bind OTC/COLL	☑
7. Are any vehicles used for business purposes? (Examples: sales calls, driving to job site, etc.) If yes, please explain.	☐ Explain	☑

EXPLANATIONS:

PRODUCER QUESTIONNAIRE

	YES	NO
1. I have applied the Senior Defensive Driver Discount for a listed driver and therefore have obtained proof of successful completion of a Washington State-Approved Accident Prevention course.	☐	☑

APPLICANT'S STATEMENT - READ BEFORE SIGNING

I hereby apply to the Company for a policy of insurance, as set forth in this application, on the basis of the statements contained herein. I agree that if I intentionally conceal or misrepresent a material fact or circumstance relating to the insurance, the policy shall be null and void. I understand that any existing damage to my car at the time of application will not be covered by this insurance. I understand the Company may order consumer reports that contain personal or privileged information about the character, general reputation, personal characteristics, driving record, loss history and mode of living of the applicant(s). Upon written request to the Company, additional information as to the nature and scope of the report, if one is ordered, will be provided. I agree that the Insurance Company may correct my premium if rated incorrectly or if information obtained from additional sources, including Motor Vehicle Reports, changes factors which affect the premium. I agree and understand that if the correct premium is not paid, my policy will be cancelled for non-payment of premium, based on the correct premium developed. I further agree and understand that if my check for the down-payment or full payment is returned by the bank unpaid for any reason, coverage will be null and void from inception. I certify that all persons age 15 or older who are members of my household and all additional operators of my vehicle(s) have been listed in the application. I have disclosed all business and commercial use of my vehicle(s) in the application. I understand that a non-refundable Installment Billing Fee of $8.00 will be charged for each installment bill. I understand that if I do not pay my premium on time, a lapse in coverage will exist and a non-refundable fee of $15.00 will be charged to reinstate my policy. I understand that if my payment is returned by the financial institution for any reason, a $20.00 non-refundable NSF Fee will be charged.

It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

[signature] 08/20/2010 05:33 PM PST

APPLICANT'S SIGNATURE (MUST BE SIGNED) DATE

TEMPORARY IDENTIFICATION CARD
(WASHINGTON EVIDENCE OF AUTOMOBILE INSURANCE)
NEED TO REPORT A CLAIM? 800-285-2524

Starr Indemnity & Liability Company
P.O. Box 9064 Carlsbad, CA 92018-9064

AGENT: Orion Insurance Group, Inc.
POLICY NUMBER: 3503067170
APP NUMBER: 81111859

PHONE NUMBER: (425)771-5197
INCEPTION DATE: 08/20/2010 05:33 PM

NAMED INSURED AND ADDRESS:
ngoc pham
4716 176th st sw #c4
lynnwood, WA 98037

VEHICLE

YEAR	MAKE/MODEL	VEHICLE ID#
2004	Honda ACCORD EX	1HGCM66594A068600

This policy provides at least the minimum amounts of liability insurance required by the financial responsibility law of the state in which it was issued for the specified vehicle(s) and named insured and may provide coverage for other persons and other vehicles as provided by the insurance policy.

This is valid for thirty (30) days from the inception date or upon receipt of your actual policy.

STANDARD BROKER FEE AGREEMENT & DISCLOSURE

1. The parties to this agreement are Ngoc Pham(CLIENT) and Orion Insurance Group, Inc. (Brokerage).

2. CLIENT appoints Brokerage as CLIENT's insurance Brokerage of Record.

3. This agreement shall become operative on today's date and shall continue in full force until terminated by either party.

4. Brokerage agrees to represent CLIENT honestly and competently.

5. CLIENT agrees to pay Brokerage a service fee for Broker's services. The broker fee charge is one hundred fifty dollars. **(THIS AMOUNT IS INCLUDED IN YOUR DOWN PAYMENT)**

6. Do not sign any service fee agreement unless all of its blank lines and spaces have been filled-in and you have read this entire document and the agreement carefully.

7. Your insurance brokerage represents you, the consumer, and is entitled to a service fee if they choose. This fee is not set by law, and may be negotiable between you and the brokerage. A percentage of the brokerage fee may be paid to a referral source where law permits.

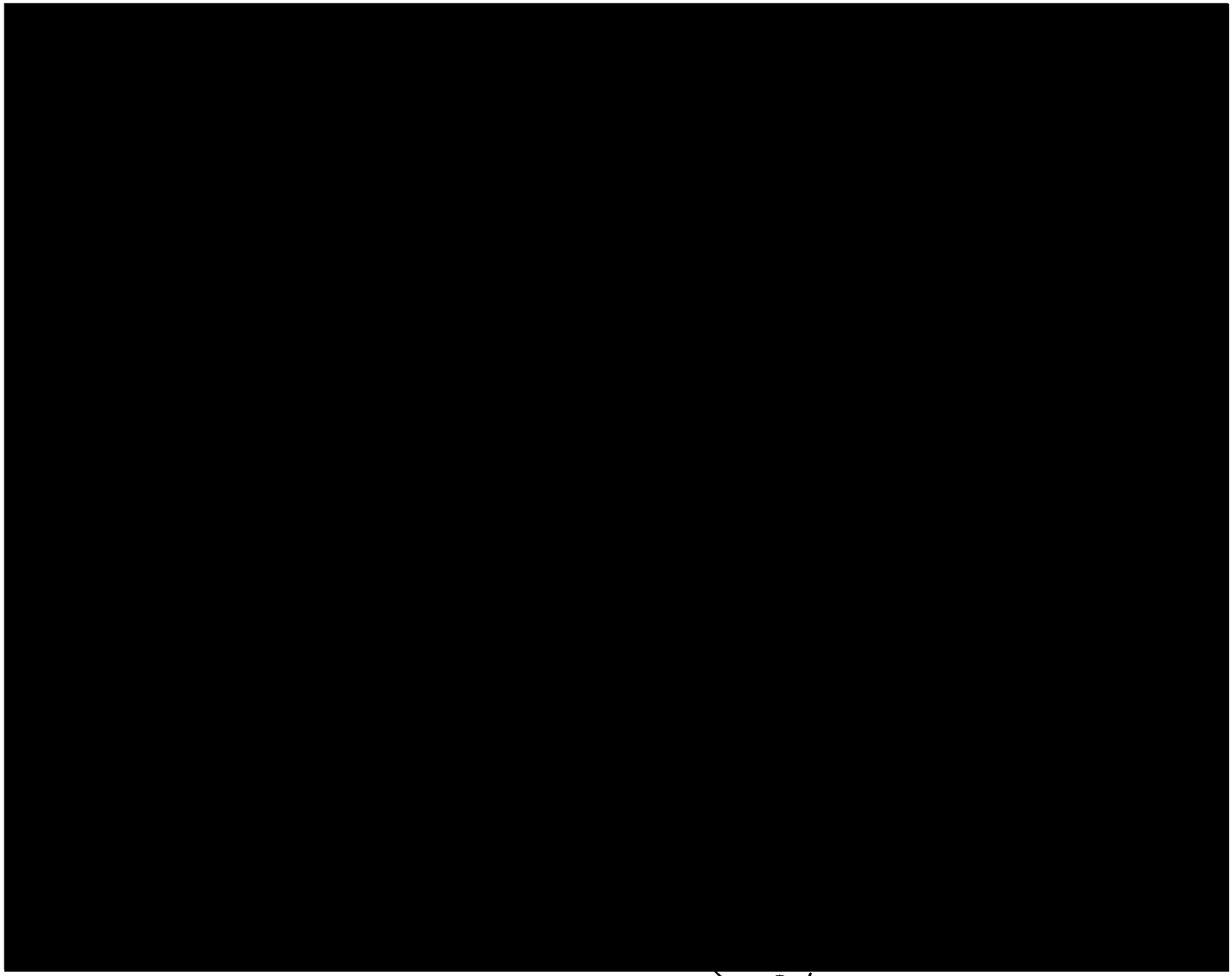
8. This service fee is non-refundable even if you cancel your coverage.

9. You are entitled to obtain and keep a completed copy of this disclosure and any service fee agreement you sign.

10. Your brokerage may receive commission from insurance company(ies) for placing your insurance. Commissions can range from 0 to 20% This commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.

Client Signature 08/20/10 Date

Producer or Broker Signature Date



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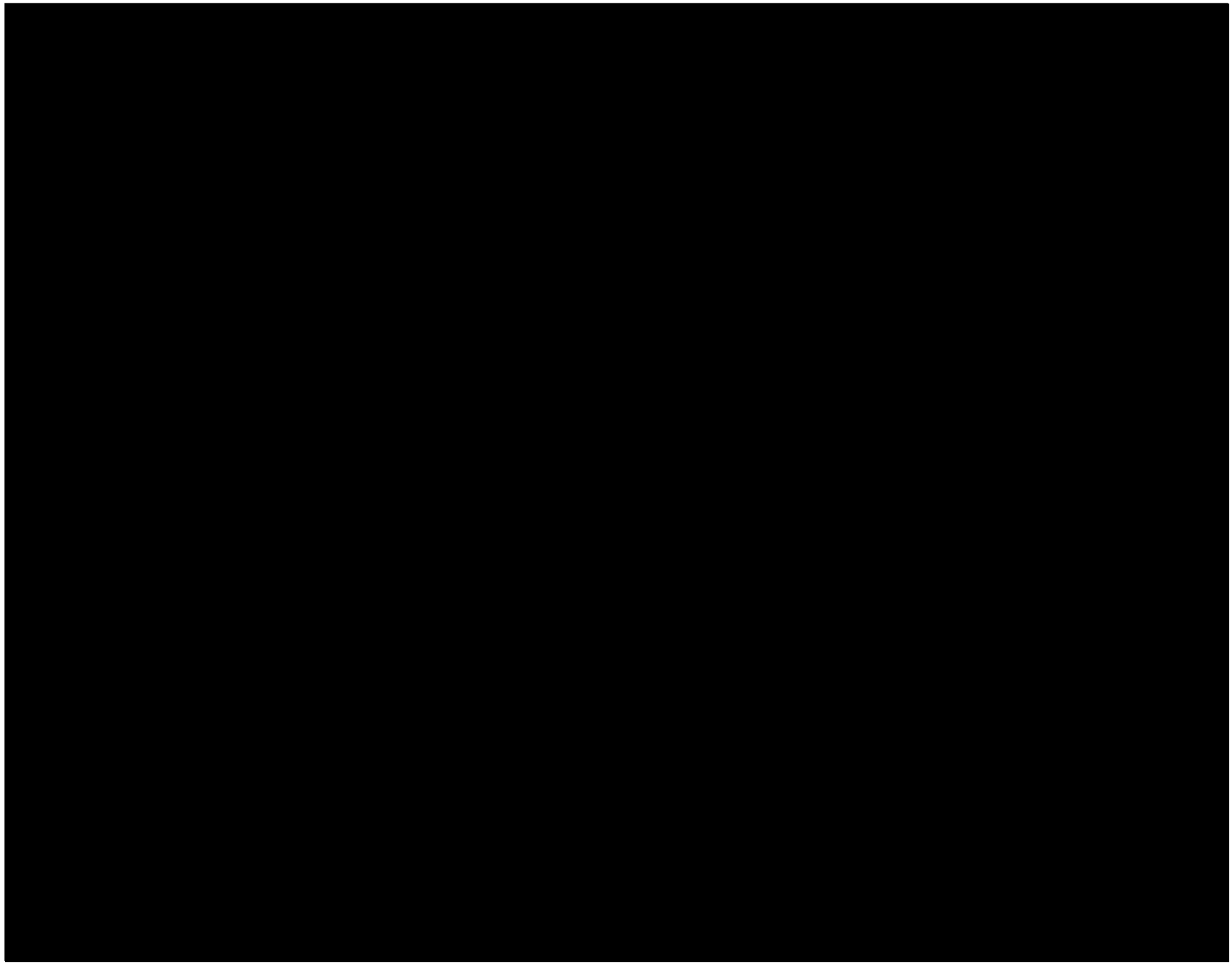
OIC 4048 taylor 3812

6269



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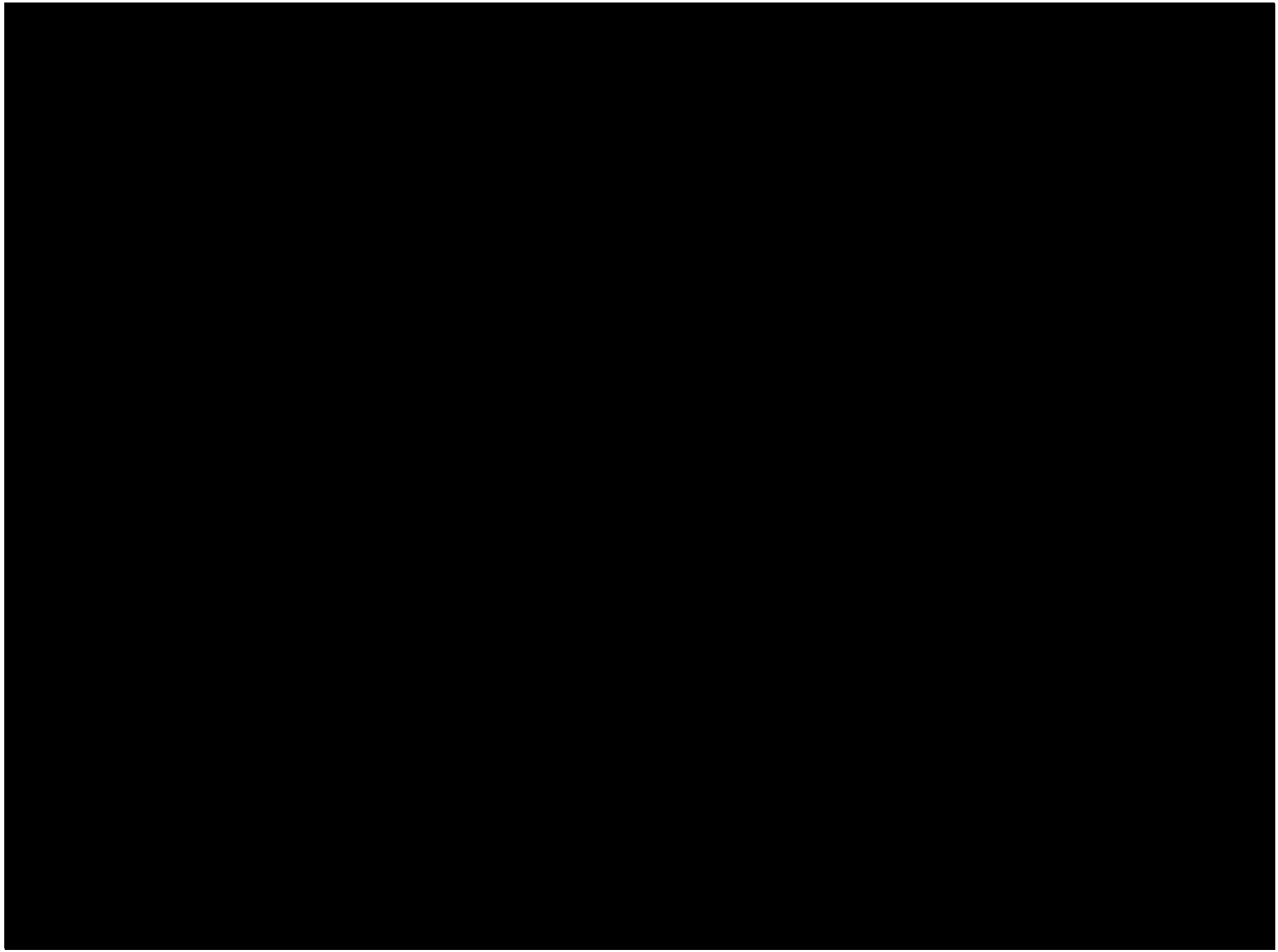
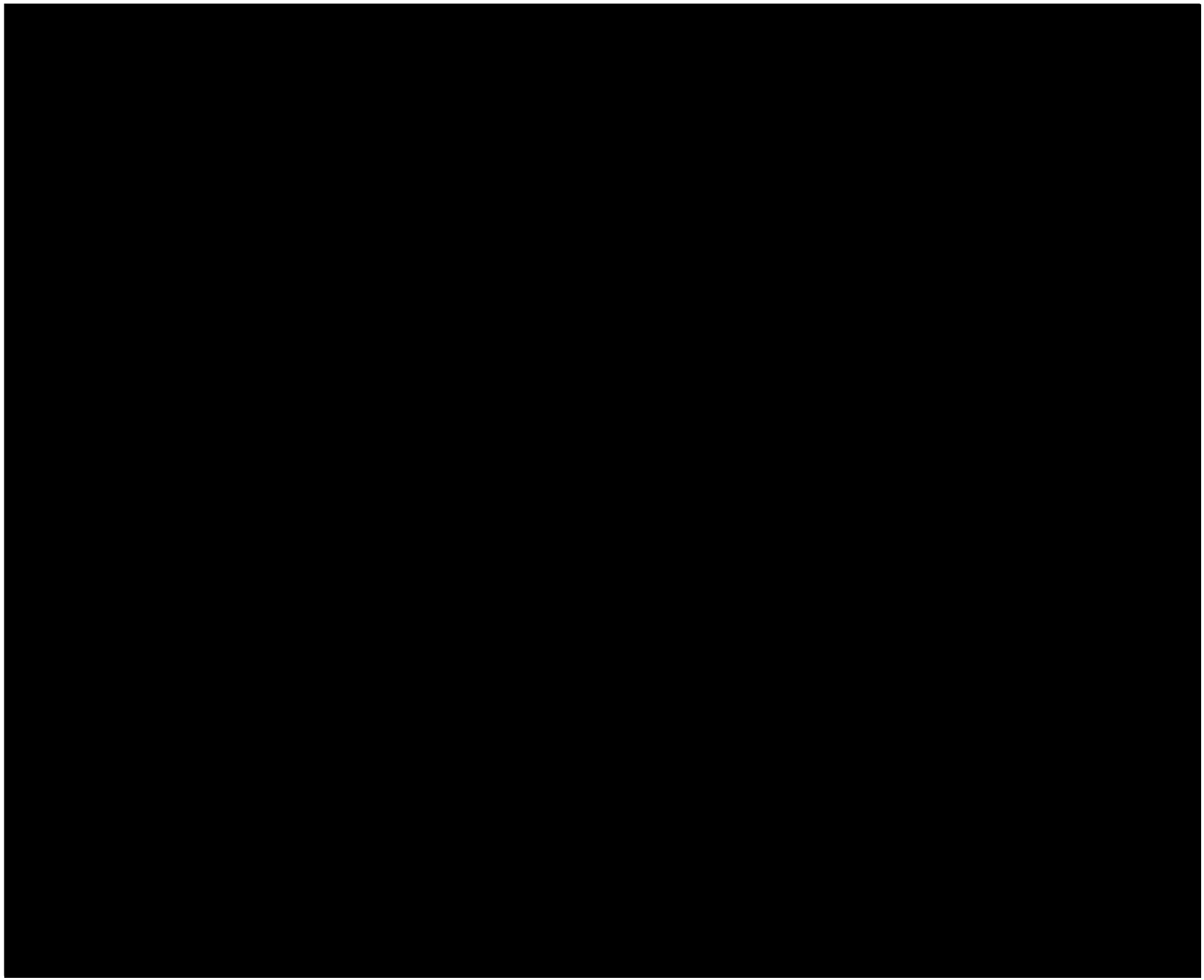
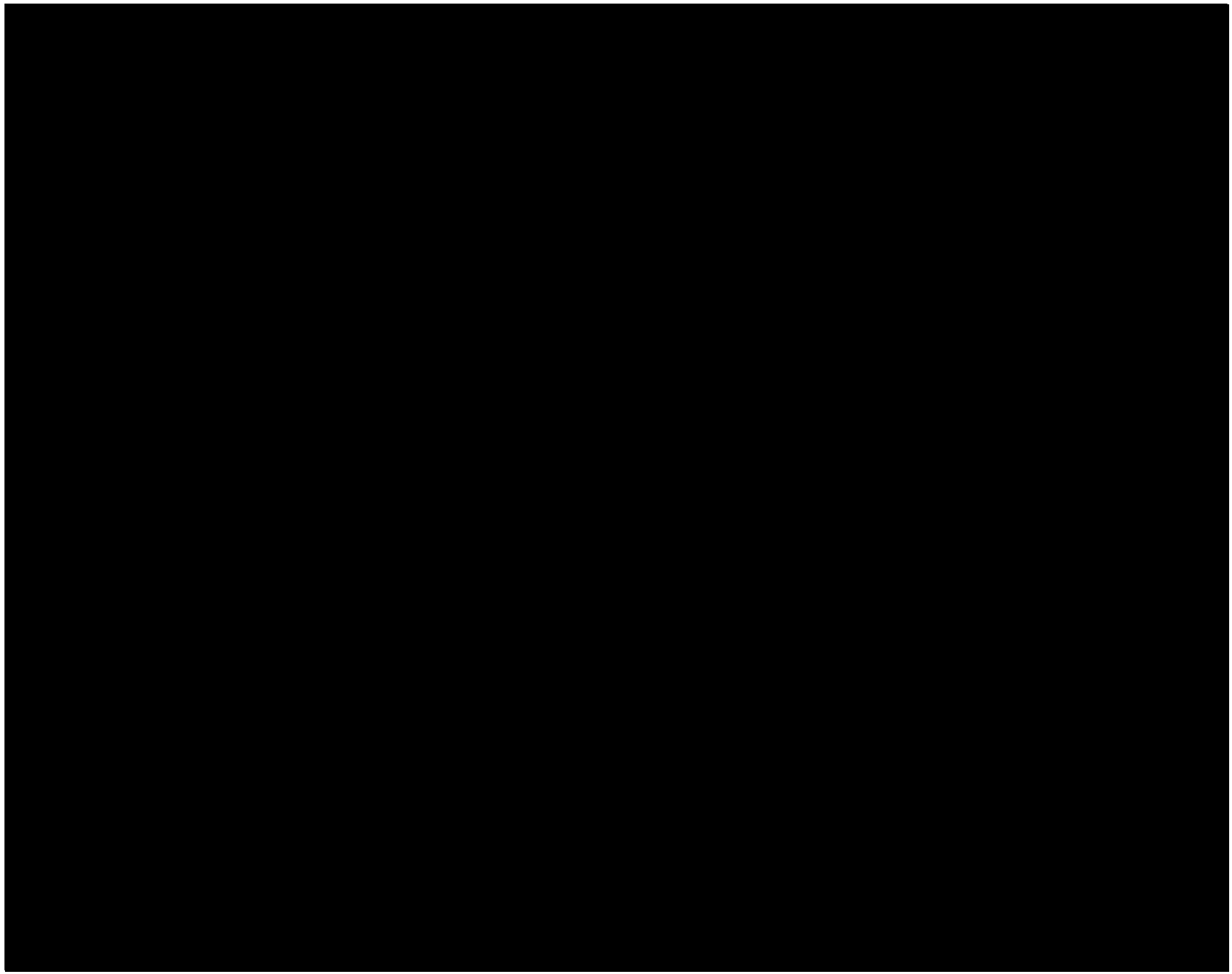
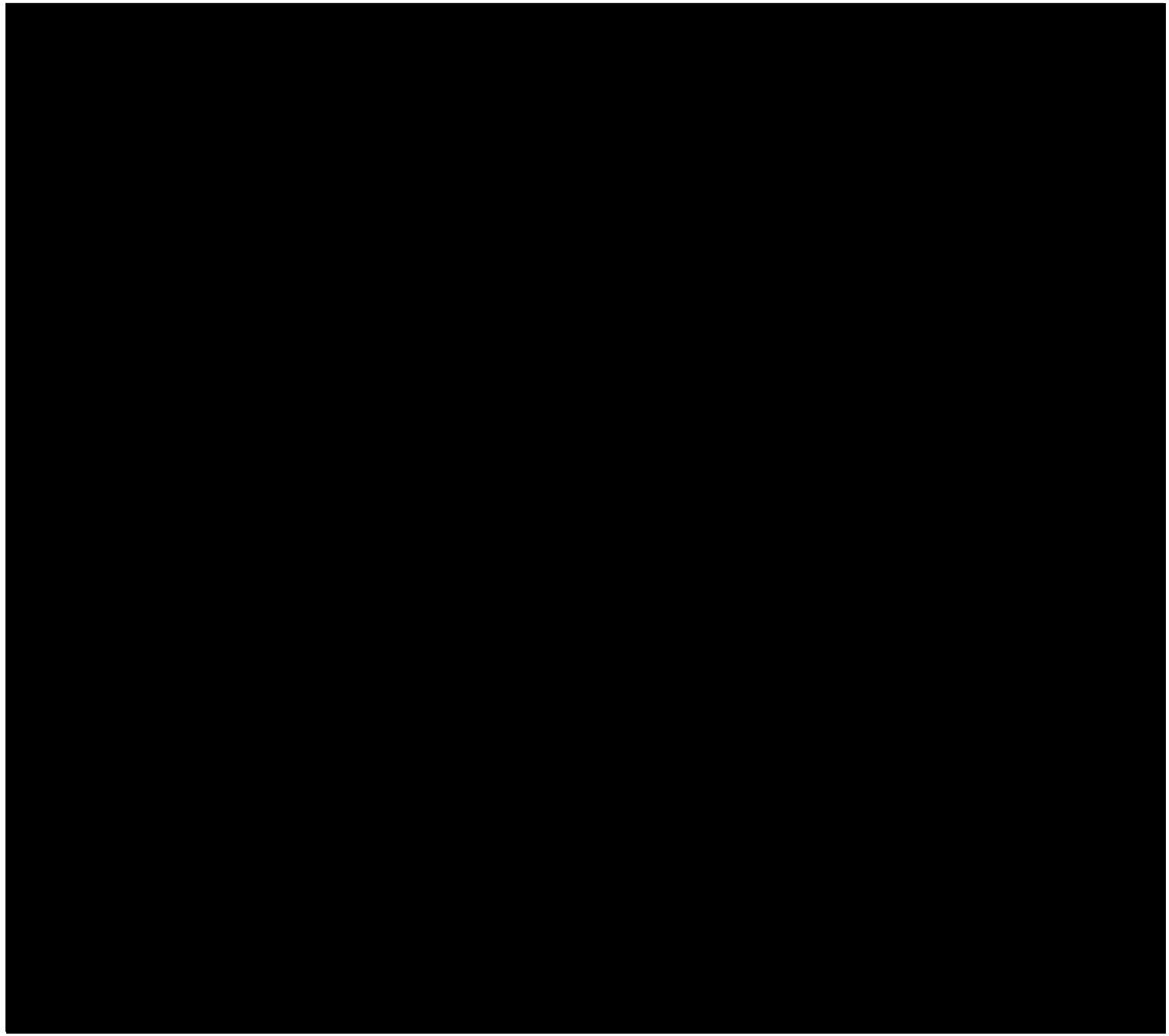
OIC 4048 taylor 3534









Orion Insurance Group was selected for an agency financial examination at random. The audit was originally scheduled for 12/9/03 but has been rescheduled for 1/28/04.

On January 28, 2004, Ken Combs, Insurance Examiner, went to the agency to conduct the financial audit. The field work of the audit took two days to complete.

Ralph Taylor formed and incorporated Orion Insurance Group, Inc. in 1995 and he is the sole owner of the agency. Ralph Taylor was first licensed in May 1989 and was an Allstate Agent. After leaving Allstate he worked with Robinson Maurer Welts Inc. until 1995 and then worked at Olympic Insurance Group prior to forming Orion Insurance Group, Inc. He got his broker's license in January 2000.

Orion Insurance Group, Inc. writes both Commercial and Personal Lines Insurance. Practically all of the business written is on a direct billed basis and the accounting records are all kept manually.

The agency has three licensed agents and Ralph Taylor is also licensed as a broker. The major markets used by the agency are AIG and Hartford.

There were no violations found during the audit but we did have to get commission statements and agency billed statements from the insurers to complete the audit. The licensee was instructed to keep all of his statements in the future and he agreed.

There were no prior investigations or complaints against the agency or agents.

How did the Consumer hear about us? :

Open/Close

Open Date	: 12/04/2003	**Tickler Date**	:
Close Date	: 02/04/2004		
Disposition Code 1	: K - Technical Assistance		
Disposition Code 2	:		
Disposition Code 3	:		
Conduct	:		
Timeliness	:		
Response Mode	:	**Money Recovered**	:
Staff	: Combs, Ken	**Refer To**	: Investigation
Referred Date	:		
Violation	:		

Coverage

Coverage Type	:
First Level	:
Second Level Code 1	:
Second Level Code 2	:
Second Level Code 3	:

OIC 4048 taylor 1916

Gmail by Google

Kevin Conrad <kevin@insurancewestinc.com>

FW: Sharing Commissions

2 messages

Greg Beck - BTW <greg@becktaxworks.com> **Mon, Oct 26, 2009 at 1:38 PM**
To: pat@insurancewestinc.com, kevin@insurancewestinc.com

From: Penn, Cheryl (OIC) [mailto:CherylP@OIC.WA.GOV]
Sent: Monday, October 26, 2009 11:26 AM
To: greg@becktaxworks.com
Subject: Sharing Commissions

RCW 48.17.490

Must be licensed to receive a commission, service fee, or other valuable consideration.

(1) An insurance company, insurance producer, or title insurance agent shall not pay a commission, service fee, or other valuable consideration to a person for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter or chapter 48.15 RCW and is not so licensed.

(2) A person shall not accept a commission, service fee, or other valuable consideration for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter or chapter 48.15 RCW and is not so licensed.

(3) Renewal or other deferred commissions may be paid to a person for selling, soliciting, or negotiating insurance in this state if the person was required to be licensed under this chapter or chapter 48.15 RCW at the time of the sale, solicitation, or negotiation, and was so licensed at that time.

(4) An insurer, except a title insurer, or insurance producer may pay or assign commissions, service fees, or other valuable consideration to an insurance agency, or to persons who do not sell, solicit, or negotiate insurance in this state, unless the payment would violate RCW 48.30.140, 48.30.150, 48.30.155, 48.30.157, or 48.30.170.

[2007 c 117 § 27; 1988 c 248 § 13; 1947 c 79 § .17.49; Rem. Supp. 1947 § 45.17.49.]

Cheryl Penn, Investigator

Office of the Insurance Commissioner

State of Washington

(360) 725-7264

(360) 586-2022 [fax]

OIC24048 taylor 697

1

cherylp@oic.wa.gov

Greg Beck - BTW <greg@becktaxworks.com> **Tue, Oct 27, 2009 at 9:08 AM**
To: pat@insurancewestinc.com, kevin@insurancewestinc.com, greg@insurancewestinc.com

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From: Penn, Cheryl (OIC) [mailto:CherylP@OIC.WA.GOV]
Sent: Monday, October 26, 2009 3:29 PM
To: Greg Beck - BTW
Subject: RE: Sharing Commissions

From my understanding of the law, it is permissible to share commissions in all three scenarios.

cherylp

From: Greg Beck - BTW [mailto:greg@becktaxworks.com]
Sent: Monday, October 26, 2009 3:16 PM
To: Penn, Cheryl (OIC)
Subject: RE: Sharing Commissions

Hello Cheryl,

Thank you for sending me the law.

As I mentioned in our conversation, if an attorney sent a prospect to an insurance agent, and he had not sold, solicited, negotiated or asked the prospect if they wanted insurance, but the prospect buys insurance sold by the insurance agent. The agent sends $300, a portion of the commission to the Lawyer, that would not violate this law, correct?

I have two other scenarios I would like to hear your comment on:

A car salesman is selling a car to a buyer and he asks for proof of insurance and the buyer says they don't have any so he recommends they call XYZ Agency. He does not sell, solicit, or negotiate the price of the insurance. He does not even ask the prospect if they wanted insurance. He just says call this agency. The buyer buys insurance sold by the insurance agent.

OIC 4048 taylor 698

and the agent sends $400, a portion of the commission to the car salesman. And this would not violate this law, correct?

Finally, a real estate leasing agent is selling commercial space to a business owner. The business owner needs liability coverage before they can close on the lease. The business owner asks if the leasing agent can recommend an insurance agent. The leasing agent does not sell, solicit, negotiate or asked the business owner if they wanted insurance, but he says here are the names of 2 agencies I know specialize in good coverage. The business owner contacts one of the agencies and is sold insurance by the insurance agent. The agent then sends $500, a portion of the commission to the leasing agent, that would not violate this law, correct?

I appreciate your input. Of course these examples are all very similar, but I'm just trying to understand this law in terms of real life examples. Thank you again for your help.

Best Regards,

Gregory L. Beck

[Quoted text hidden]

OIC4048 taylor 699

effectuate RCW 48.17.600 and 48.17.480 with respect to the separation and accounting of premium funds by agents, brokers, solicitors, general agents and surplus line brokers, hereinafter called "producers." Pursuant to RCW 48.30.010, the commissioner has found and hereby defines it to be an unfair practice for any producer, except as allowed by statute, to conduct insurance business without complying with the requirements of RCW 48.17.600 and this section. As provided in RCW 48.17.600, agents for title insurance companies or insurance brokers whose average daily balance for premiums received on behalf of insureds in the state of Washington equals or exceeds one million dollars, are exempt from subsections (1) through (6) of this section, except with respect to premiums and return premiums received in another licensing capacity.

How did the Consumer hear about us? :

Open/Close

Open Date	: 01/20/2010	**Tickler Date**	:
Close Date	: 11/30/2010		
Disposition Code 1	: K - Technical Assistance		
Disposition Code 2	:		
Disposition Code 3	:		
Conduct	:		
Timeliness	:		
Response Mode	:	**Money Recovered**	:
Staff	: Portacio, Angelina	**Refer To**	: Investigation
Referred Date	:		
Violation	:		

Coverage

Coverage Type	:
First Level	:
Second Level Code 1	:
Second Level Code 2	:
Second Level Code 3	:
Med/Sup Type	:

Complaint Reason

Category : INV - Investigation

Reason : K - Other

Interview

Contact Name	: PATRICK K. CONRAD, Sr.		
Street1	: 24437 RUSSELL RD STE 230		
Street2	:		
City	: KENT	**Country**	: United States
State/Province	: Washington	**Zip**	: 98032

[redacted]

OIC 4048 taylor 705

Work Phone	: 253-854-5505	**Extension**	:
Home Phone	:	**Cell Phone**	:
Fax	:	**Email**	: pat@insurancewestinc.com
Interview Date	: 10/14/2010	**Class**	: Licensee
Incident Date	: January 2010		
Contact Reason	: Complaint	**FFINT**	: L

Synopsis : Mr. Patrick Conrad, Sr. Has been in insurance business since 1995. His agency became a corporation in Nov. 2002. He worked with another agency and rolled his book of business into his own. He started in this office in Kent. Insurance West has a branch office in Puyallup, WA. There are five licensed producers including him and two customer service representatives in Kent office and four licensed producers in Puyallup office. Two solicitors in Puyallup are not licensed. He also employs three individuals whom he calls Contractors (1099) and they are licensed producers.

The Agency is an independent producer representing numerous companies with the majority of his business written with Safeco Companies and Progressive Companies. He said his premium volume is approximately $9 to 10 million a year. ompanies they represent are all direct bill companies. According to Mr. Patrick Conrad, the Agency does not do business with Surplus Line Brokers or any other agencies. A majority of their written business are personal lines with no more than four commercial policies.

The Agency has two Premium Trust Accounts but only uses one. Puyallup and Kent offices have a Combined Premium Trust record. Raylene Harris handles the Premium Trust and Operating Accounts for the Agency. The Agency's accounts are with BOA.

According to the principal Licensee, they advertise through web site such as Google and by word of mouth. They also have some walk-in customers.

We asked Mr. Conrad about the Complainant's allegation that they are paying fees for business and that they employ dealership salesmen to solicit insurance from their prospective car buyers. It was also alleged that referral fees of $50.00 are paid to car Salesmen for referred insurance sales.

He said they give the car salesmen $50 Gift Cards for every referral they make to Insurance West. Mr. Conrad claims that their licensed producers @ Insurance West are the ones that talk to customers and explain their insurance coverage with them and that the salesmen at the delearship do not do the selling of insurance.

We asked him if Ins West receive insurance premim payments from the Dealership (checks that were written by the Dealership) and he said yes they do. That when the delear receives Cash from the customers, they deposit them into their account (Dealearship's acct) then write a check to Insurance West for premiums.

Evidence :

OIC 4048 taylor 706

Activity Log

Activity Date : 01/20/2010 **Division** : Investigation
Created By : Victoria Estrada **Manual Entry** : N
Action : SC - Staff Change
Comment : The Case is assigned to Angelina Portacio on 1/20/2010 by Victoria Estrada.

Activity Log

Activity Date : 10/22/2010 **Division** : Investigation
Created By : Angelina Portacio **Manual Entry** : Y
Action : OT - Other
Comment : 09/30/2010 = Examiner sent an Examination Notification Letter to Ins. West, Inc. Scheduled for October 14, 2010 and to be confirmed by the Principal Licensee. NO RESPONSE RECEIVED.

10/12/2010 = Second letter was sent reminding Licensee to respond. Also, Examiner contacted the Principal Licensee, Patrick Conrad, by phone. It was confirmed. Licensee claimed he did not know that they were to respond.

10/14/2010 = Examiner (AEP) and Supervisor Mary Tunis met with the Licensee at the agency. Examiner conducted an interview with Mr. Patrick Conrad Sr. Obtained info. reg. agency history and Principal's background. Obtained information reg. Business operation and Employees (licensed and non-licensed).

Examiner requested for a list of Car Dealerships and Car Salesmen that they do business with. Mr. Conrad said that it will take long to put together and stated that we may get it the next day (Friday-Oct.15). Mary Tunis also asked the Licensee to provide us a lsit of names of the Recipients of GIFT CARDS.

Activity Log

Activity Date : 10/25/2010 **Division** : Investigation
Created By : Angelina Portacio **Manual Entry** : Y
Action : OT - Other
Comment : 10/22/10 = Received e mail w/ 3 attachments from Patrick conrad, Sr.: 1) procedure for dealership business; 2) Acct #670 Advertising & Promotion trans for the period 01/2009 to 10/2010; 3) List of gift card recepients (car salesmen).

Activity Log

Activity Date : 11/30/2010 **Division** : Investigation
Created By : Angelina Portacio **Manual Entry** : Y
Action : OT - Other
Comment : 11/30/10 Referred to Investigations for further review. AEP

[redacted]

OIC 4048 taylor 707

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

Phone (360) 725-7000
www.insurance.wa.gov

July 7, 2010

DONNA MOORE
AMERICAN INSURE-ALL AGENCY INC
P O BOX 708
BURLINGTON WA 98233

Re: NSD "Towbusters" Emergency Road Service
OIC File No. 1035104

Dear Ms. Moore:

Our investigation which was initiated by a complaint from Hector Franco continues. As part of our investigation, we sent survey letters to 30 consumers who had been sold the NSD Emergency Road Service plan by American Insure-All Agency. While we only received six responses, four of the six reported that they did not knowingly purchase the plan. One consumer (Delores Armstrong) reported that she has AAA so would have no need for the road service.

If American Insure-All's agents are quoting automobile insurance premium with the road service fee included in the premium quote that is deceptive. The additional charge for the service is not premium and should not be included in the premium quote even if separate receipts are given.

We are closing our file at this time, but will take this information under consideration should we receive similar complaints in the future.

Sincerely,

Cheryl Penn

CHERYL PENN, Investigator
Investigations & Enforcement Division
(360) 725-7264
(360) 586-2022 [fax]
cherylp@oic.wa.gov [e-mail]

4048Taylor268

OIC 4048 taylor 1426

TOWBUSTERS

24 HOUR EMERGENCY ROAD SERVICE

800 Yamato Road, Suite 100, Boca Raton, FL 33431

Towing & Roadside Assistance
1-800-745-5791
Customer Service & Benefits Questions
1-800-338-2680

VERONICA	GARCIA		
130 STANFORD DR APT A			
MOUNT VERNON	WA	98273	
CONTRACT PERIOD			
3/26/2010	3/26/2011	MEMBER COVERED ANY QUALIFIED VEHICLE	
Agent Code: 86198		Member#: NRDE1851160	ID: BURLINGTON

Prod: 134
Plan: C
Fee: $75.00

1. EMERGENCY ROAD SERVICE: Your membership contract contains our NSD 24 hour emergency road service telephone number for member to call when member's auto is disabled. NSD will dispatch an emergency service vehicle to your aid, and you are covered for a maximum per disablement for road service, (one service call per disablement). If for any reason road service cannot be dispatched, the member shall receive authorization from NSD to use a garage of their choice, and, upon presentation of original paid tow company receipt, the club shall reimburse the member up to the amount of plan selected.
EMERGENCY ROAD SERVICE CONSISTS OF:
MECHANICAL FIRST AID: ANY SERVICE REQUIRING MINOR ADJUSTMENT (exclusive of parts) to enable vehicle to proceed under its own power.
TIRE SERVICE: Changing an inflated spare from mount to wheel.
BATTERY SERVICE: Attempting to start vehicle with a booster battery.
DELIVERY SERVICE: Delivery of an emergency supply of gasoline, oil, water and other accessories and supplies as may be required and available. Cost of materials delivered shall be paid for by the member.
2. TOWING SERVICE: When a vehicle cannot be started, it can be towed to a destination of your choice by authorized towing service.
Maximum benefit allowed - Plan A=5 miles, Plan B=15 miles, Plan C=25 miles, Plan D=35 miles.
3. LOCKSMITH SERVICE: If keys are locked inside the member's vehicle, NSD will dispatch a locksmith for service.
4. MAP SERVICE: Your membership allows you to request and receive specially prepared maps for travel. Merely call 866-294-0934 two weeks in advance of your trip, giving your trip origin and destination.
5. THEFT REWARD: NSD will pay a person, (excluding member's family or relatives) $600 for information leading to the arrest and conviction of a person for the theft of a member's vehicle or tagged valuable articles.
6. EXCLUSIONS: The Contract does not cover the following:
a.) Any violation of motor vehicle or traffic laws relating to the operation of a motor vehicle. Driving under the influence of intoxicating liquors, narcotics or psychedelic drugs. Driving without a valid operator's permit, or leaving the scene of an accident without disclosing identity, or failing to stop to ascertain injury and lend assistance, commonly known as hit and run driver. (b.) When any motor vehicle is operated without permission of the owner thereof.
c.) Under section 1 hereof, service for trucks in excess of one ton chassis, busses, trailers, tractors, or vehicles of dual wheel class. (d.) For any service requiring removal of snow or ice from or around Member's motor vehicle, or from any driveway or premises, or street, highway or parking area. (e.) Gas/credit card receipts are not accepted. (f.) Reimbursement sought for any bill which, in the opinion of NSD appears to be false or fraudulent, and not for the claimed services.
g.) All parts of motor vehicle, rental battery, return of rental battery, supplies or accessories furnished by garage or service station shall be at the sole expenses of the member. (h.) All repairs and material used in repairing flat tire, or services requiring more than one trip by garage or service station shall be at the sole expense of the member. (i.) By being involved in any traffic accident or any accident involving a motor vehicle in which a Police Traffic Accident Report is not filed or made a matter of record. (j.) Rental reimbursement for theft, fire, flood and vandalism is not covered.
7. CANCELLATION: Member of club can cancel in writing. If membership is cancelled a refund will be paid to the purchaser, calculated on a short rate base for the un-expired portion. Minimum $15.00 earned. Cancellation is handled by producer and not NSD.
8. Excessive claims will be cause for cancellation. (Over 6 calls per contract period).
9. NOTICE OF CLAIM: All claims must be reported to the Home Office as soon as reasonably possible, and in any event, no later than 60 days after occurrence, Company reserves right to deny all claims if received later than 60 days.

THIS IS NOT INSURANCE, NOR PART OF AN INSURANCE LIABILITY POLICY THIS SERVICE CONTRACT IS OPTIONAL AND DOES NOT COMPLY WITH ANY FINANCIAL RESPONSIBILITY LAW.
*Contract may be rejected by Company if all Client & Producer procedures are not met. Reimbursement amounts only with authorization number from dispatch. Plan A=$35, Plan B=$50, Plan C=$75, Plan D=$100. Coverage applies to scheduled vehicle only. Limit one (1) service per seventy-two (72) hour period.
*Contract must be shown for service

SIGNATURE OF APPLICANT 3/26/2010

4048Taylor203

OIC 4048 taylor 1361

Activity Log

Activity Date : 01/28/2010 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : spoke to donna moore-osorio at American insure all in the burlington office. she emailed me a copy of the contract and flyer they hand out regarding the Nation Safe Drivers.

Activity Log

Activity Date : 01/28/2010 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : rec'd a call from Hector Franco, he said he rec'd the $75 check back in Oct 2009 but is still concerned that that agency automatically adds the NSD coverage without asking the consumer, they only take it off if you ask them to [if you happen to notice it].

Activity Log

Activity Date : 04/08/2010 **Division** : Investigation
Staff : Cheryl Penn **Manual Entry** : Y
Action : OT - Other
Comment : Letter and copy of complaint sent to agency manager Donna Osorio.

Activity Log

Activity Date : 05/17/2010 **Division** : Investigation
Staff : Cheryl Penn **Manual Entry** : Y
Action : OT - Other
Comment : 5/6/2010 - Response and requested documents received from Donna Moore, Manager of American Insure All Agency.

Activity Log

Activity Date : 05/20/2010 **Division** : Investigation
Staff : Cheryl Penn **Manual Entry** : Y
Action : OT - Other
Comment : Market conduct letters sent to 30 customers of licensed agency.

Activity Log

Activity Date : 05/20/2010 **Division** : Investigation
Staff : Cheryl Penn **Manual Entry** : N
Action : SC - Staff Change
Comment : The Case is assigned to Cheryl Penn on 5/20/2010 by Cheryl Penn.

4048Taylor48
OIC 4048 taylor 1606

Activity Log

Activity Date : 07/01/2010 **Division :** Investigation
Staff : Cheryl Penn **Manual Entry :** Y
Action : OT - Other
Comment : Between May 25, 2010 and June 7, 2010, only received six survey responses. Of the six, four indicated they did not knowingly purchase the emergency roadside service plan.

Activity Log

Activity Date : 07/01/2010 **Division :** Investigation
Staff : Cheryl Penn **Manual Entry :** Y
Action : OT - Other
Comment : 7/07/2010 - Disposition letter sent to Donna Moore, American Insure-All Agency, Inc. Letter also sent to complainant Hector Franco.

4048Taylor49

OIC 4048 taylor 1607

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

Phone: (360) 725-7000
www.insurance.wa.gov

May 20, 2010

RECEIVED
MAY 26 2010
Investigations & Enforcement

CHRIS SELVOG
4940 ADRIAN LN
SEDRO WOOLLEY WA 98284

Re: Insurance Purchase at American Insure-All Agency

Dear Mr. Selvog:

In January of this year you purchased automobile insurance through the American Insure-All Agency. In addition to the insurance coverage, you also paid $75.00 for an emergency road service plan through National Safe Drivers (NSD). The service plan was separate from the vehicle insurance policy and the $75 cost was not part of the insurance policy premium. Please answer the following questions relative to the NSD plan:

Was the plan explained to you?
Yes ☒ No ☐

Were you quoted insurance premium not including the $75 charge for the NSD plan?
Yes ☒ No ☐

Did you knowingly purchase the emergency road service plan?
Yes ☐ No ☒

Please sign and date this letter and return it in the enclosed self-addressed envelope.

ESTA CARTA ES TRADUCIDO EN ESPAÑOL EN EL REVERSO.

Sincerely,

Cheryl Penn

CHERYL PENN, Investigator
Investigations & Enforcement Division
(360) 725-7264
(360) 586-2022 [fax]
cherylp@oic.wa.gov [e-mail]

Chris Selvog
Chris Selvog
Signature

5/24/2010
Date

4048Taylor272

OIC 4048 taylor 1430

Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, July 12, 2011 2:20 PM
To: Singer, Alan (OIC)
Subject: Fw: Your Public Disclosure Request dated 5/31/2011

Alan,

If you look at page 165 part 2 you will see that a technical guidance was given by Marianne in regards to the fee agreement. She actually just modified the form and told them how to correct it. I would think that Orion having been audited with no issues already and never having had an issue I would have been given the same latitude in regards to a technical assistance. Insurance West had multiple violations by this time and they were still given a better outcome then myself. I would think that the enforcement has to be unarbitrary by the office. There were other instances where a fee was charged and there was no action. I will be sending out the request for change in rules today. I have not received all the information I have requested so I do not know how arbitrary this issue is in it's enforcement. Let me know what you think.

Ralph

-----Original Message-----
From: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>
Sent 7/12/2011 10:42:36 AM
To: rtaylor@orioninsgroup.com
Subject: FW: Your Public Disclosure Request dated 5/31/2011

Here's the first one.

From: Mark, Eric (OIC)
Sent: Wednesday, June 22, 2011 11:17 AM
To: 'rtaylor@orioninsgroup.com'
Subject: Your Public Disclosure Request dated 5/31/2011

Good morning Mr. Taylor.

Attached you will find the first installment of potentially responsive records to your request for "all

OIC 4048 taylor 1146

From: Singer, Alan (OIC)
To: Brown, Charles (OIC); Baughman, Jeff (OIC); Hamie, John (OIC); Durphy, Mark (OIC); Sureau, Carol (OIC)
Subject: FW: Your Public Disclosure Request dated 5/31/2011
Date: Tuesday, July 12, 2011 3:53:27 PM

Below is the information Carol asked me to forward to you. As you may recall, at a recent PE meeting you voted to instruct me to attempt to impose a $250 fine against Mr. Taylor. As that can only occur either by consent or after hearing, I tried sending a proposed consent order. In response, he refused and wrote a letter demanding a hearing. After he did this, I reviewed the matter with Carol and, after consulting with her and gaining her approval for the same, I filed this: http://www.insurance.wa.gov/orders/documents/11-0123NoticeofIntentiontoHoldHearing.pdf. The matter is currently on schedule to be set for a hearing before Judge Petersen. If you have any comments or questions, please let me know.

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

From: Sureau, Carol (OIC)
Sent: Tuesday, July 12, 2011 3:43 PM
To: Singer, Alan (OIC)
Subject: RE: Your Public Disclosure Request dated 5/31/2011

No, but please send the information around to the producer enforcement group – unedited.

From: Singer, Alan (OIC)
Sent: Tuesday, July 12, 2011 3:41 PM
To: Sureau, Carol (OIC)
Subject: FW: Your Public Disclosure Request dated 5/31/2011

Hi Carol,

Given this, I would suggest we reconsider this matter. May I bring this to the PE group to decide?

Alan

Alan Michael Singer
Staff Attorney

OIC 4048 taylor 1145

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC)
Subject: RE: Your Public Disclosure Request dated 5/31/2011
Date: Tuesday, July 12, 2011 3:42:44 PM

No, but please send the information around to the producer enforcement group – unedited.

From: Singer, Alan (OIC)
Sent: Tuesday, July 12, 2011 3:41 PM
To: Sureau, Carol (OIC)
Subject: FW: Your Public Disclosure Request dated 5/31/2011

Hi Carol,

Given this, I would suggest we reconsider this matter. May I bring this to the PE group to decide?

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, July 12, 2011 2:20 PM
To: Singer, Alan (OIC)
Subject: Fw: Your Public Disclosure Request dated 5/31/2011

Alan,

If you look at page 165 part 2 you will see that a technical guidance was given by Marianne in regards to the fee agreement. She actually just modified the form and told them how to correct it. I would think that Orion having been audited with no issues already and never having had an issue I would have been given the same latitude in regards to a technical assistance. Insurance West had multiple violations by this time and they were still given a better outcome then myself. I would think that the enforcement has to be unarbitrary by the office. There were other instances where a fee was charged and there was no action. I will be sending out the request for change in rules today. I have not received all the information I have requested so I do not know how arbitrary this issue is in it's enforcement. Let me know what you think.

OIC 4048 taylor 1148

From: Scott, Kacy (OIC)
To: Singer, Alan (OIC)
Subject: RE: rule change request
Date: Tuesday, July 12, 2011 3:00:13 PM

Got it - thanks Alan!

From: Singer, Alan (OIC)
Sent: Tuesday, July 12, 2011 2:55 PM
To: Scott, Kacy (OIC)
Cc: 'rtaylor@orioninsgroup.com'
Subject: FW: rule change request

Hi Kacy,

I believe Mr. Taylor intended to send this to you.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, July 12, 2011 2:54 PM
To: kayc@oic.wa.gov
Cc: Singer, Alan (OIC)
Subject: rule change request

Kay,

Please find a request for a rule change attached. I have cc'd Alan Singer due to the fact that I am working with him on an issue that pertains to this. I appreciate your time.

Ralph Taylor
Orion Insurance Group, Inc.

OIC 4048 taylor 1150

From: Singer, Alan (OIC)
To: "Ralph Taylor"; Mark, Eric (OIC)
Subject: RE: Your Public Disclosure Request dated 5/31/2011
Date: Thursday, July 07, 2011 11:44:58 AM

Hi Ralph,

Eric Mark only helps assemble and then produce records that were requested under the state's public records law. The answer to your question may be revealed from the records Eric produced in response to your request, but if not, I think you would need to talk with someone else in a different division, someone who handles such investigations, to see what they can tell you. I'll ask some questions of Mark Durphy, the agency's Investigations Manager, and then get back to you again by email.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Thursday, July 07, 2011 11:31 AM
To: Mark, Eric (OIC)
Cc: Singer, Alan (OIC)
Subject: Fw: Your Public Disclosure Request dated 5/31/2011

Eric,

I am not sure you received this email since I have had no reply, it may have spammed. Could you please verify that none of the approximately 60 files had any files open on them or any type of investigation done on them. I have cc'd Alan on this email on the hope he may be able to provide information to you since he is the one I originally sent the request to at the beginning. I appreciate your time.

Cordially,

Ralph Taylor

-----Original Message-----

OIC 4048 taylor 1152

From: "Ralph Taylor" <rtaylor@orioninsgroup.com>
Sent 6/22/2011 2:04:01 PM
To: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>
Subject: Re: Your Public Disclosure Request dated 5/31/2011

Eric,

Thank you for the information. Could you please verify that there were no investigations initiated in regards to the files you previously said there were none in your last email. I appreciate your time.

Cordially,

Ralph Taylor

-----Original Message-----
From: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>
Sent 6/22/2011 1:16:49 PM
To: rtaylor@orioninsgroup.com
Subject: Your Public Disclosure Request dated 5/31/2011

Good morning Mr. Taylor.

Attached you will find the first installment of potentially responsive records to your request for "all complaints in regards to attached list regarding fees since July 1, 2009" and "all emails between Alan Singer and any supervisors in regards to Orion or the entities named" in your request. I have also attached a redaction log identifying information that is exempt from public disclosure. Due to the size of the documents I will have to send them to you in separate emails.

In my first response, dated 06/13/2011, I identified those entities that did not have any pending or closed investigations.

The next installment of records will be provided on or before July 15, 2011.

Please let me know if you have any questions or concerns.

Sincerely,

Eric Mark
OIC Public Records Manager
Phone: (360) 725-7003

OIC 4048 taylor 1153

Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, May 31, 2011 1:20 PM
To: Singer, Alan (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan,

I waited for Carol to call but I did not hear from her and I wanted to get this issue addressed. I have attached my request for hearing. I will be sending out the originals in the mail. I appreciate your time.

Ralph

-----Original Message-----
From: "Singer, Alan (OIC)" <AlanS@OIC.WA.GOV>
Sent 5/25/2011 4:13:00 PM
To: "Ralph Taylor" <rtaylor@orioninsgroup.com>
Cc: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>, "Sureau, Carol (OIC)" <CarolS@OIC.WA.GOV>
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Hi Ralph,

As we just briefly discussed, your public records act request should be directed to Eric Mark, who I am copying to this message. As I understand it, the approximately 60 firms you are asking about are the ones in this list that you provided previously:

Anderson & Black, Soundview, Specialty Auto, Parker Smith & Feek, Bob Wagner Insurance, Alaska USA, Balcos, Kibble & Prentice, Marsh USA, First Rate Insurance, Moloney ONeill, Rainwater, Northtown Insurance, McDonald Insurance Group, Rice Insurance, C Don Filer, Gurry & Rogers, Key Insurance Agency, Walt Lester Insurance , Seabury & Smith, Aon, PLC Insurance, Conover, Choice Insurance, Unity Group, Arthur Gallagher, Ireland Insurance Services, Eric Wagner Insurance, Bell Anderson, Heritage, Propel, Bratrud Middleton, Brown & Brown, Don Swanson, Humble & Davenport, Wells Fargo, Armfield Harrison & Thomas, American Insure All, Vern Fonk, Peoples, Alliance, American Choice, Insurance West, Brookey Insurance Services, Seguros Insurance, Shireff Insurance, BGI Agency Network, Drake Rush, Rogers & Norman, Baldwin Resource Group, Bellevue Insurance Group, Whitfields, Rich Haynie Insurance, Robinson Maurer, Otter Insurance, Sea Mountain, Seaview, Hub, Hall Conway Jackson, Anderson Insurance Agency, Burien General Insurance Agency, Snapp & Sons

OIC 4048 taylor 1162

You also asked me to tell you what is happening as to those firms above, and you also asked for the chance to speak with my supervisor Carol Sureau before you decide whether to request a hearing as to the proposed consent order and letter you received yesterday. I am copying Carol here, and am relating to her by this message that you asked me to ask her to please call you.

If this is inconsistent with your recollection of our conversation please advise. Thanks,

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Wednesday, May 25, 2011 12:21 PM
To: Singer, Alan (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan,

If it is the wisdom of the department to fine me for this issue and you have been disparte in your treatment then I will live with that. I will ask you to modify the order to state specifically what was wrong with my form so when I am questioned about it by consumers I can show them exactly what your issues were. I would assume you have a problem with me using "your" to define their company, the 0-20% and whatever other issues there may be. I am sure other agencies will use this against me so that is why I am asking for this, that way I can show the consumer and they can decide if I was acting inappropriately.

I am also asking since I want to be sure you have been disparte in your treatment of me and my firm that this email act as a public records request and that you provide me the files once your investigatin is over of the 60 firms that you asked me for in regards to this issue. I know of agencies who have been audited and were charging fees that had no signed form what so ever who were not fined in anyway so I would like to see all files in regards to complaints in regards to fees.

Please call to discuss these issues. I am only looking for equal treatment.

Ralph
-----Original Message-----
From: "Singer, Alan (OIC)" <AlanS@OIC.WA.GOV>

OIC 4048 taylor 1163

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, May 31, 2011 1:20 PM
To: Singer, Alan (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan,

I waited for Carol to call but I did not hear from her and I wanted to get this issue addressed. I have attached my request for hearing. I will be sending out the originals in the mail. I appreciate your time.

Ralph

-----Original Message-----
From: "Singer, Alan (OIC)" <AlanS@OIC.WA.GOV>
Sent 5/25/2011 4:13:00 PM
To: "Ralph Taylor" <rtaylor@orioninsgroup.com>
Cc: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>, "Sureau, Carol (OIC)" <CarolS@OIC.WA.GOV>
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Hi Ralph,

As we just briefly discussed, your public records act request should be directed to Eric Mark, who I am copying to this message. As I understand it, the approximately 60 firms you are asking about are the ones in this list that you provided previously:

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OIC 4048 taylor 1166

Mountain, Seaview, Hub, Hall Conway Jackson, Anderson Insurance Agency, Burien General Insurance Agency, Snapp & Sons

You also asked me to tell you what is happening as to those firms above, and you also asked for the chance to speak with my supervisor Carol Sureau before you decide whether to request a hearing as to the proposed consent order and letter you received yesterday. I am copying Carol here, and am relating to her by this message that you asked me to ask her to please call you.

If this is inconsistent with your recollection of our conversation please advise. Thanks,

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Wednesday, May 25, 2011 12:21 PM
To: Singer, Alan (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan,

If it is the wisdom of the department to fine me for this issue and you have been disparte in your treatment then I will live with that. I will ask you to modify the order to state specifically what was wrong with my form so when I am questioned about it by consumers I can show them exactly what your issues were. I would assume you have a problem with me using "your" to define their company, the 0-20% and whatever other issues there may be. I am sure other agencies will use this against me so that is why I am asking for this, that way I can show the consumer and they can decide if I was acting inappropriately.

I am also asking since I want to be sure you have been disparte in your treatment of me and my firm that this email act as a public records request and that you provide me the files once your investigatin is over of the 60 firms that you asked me for in regards to this issue. I know of agencies who have been audited and were charging fees that had no signed form what so ever who were not fined in anyway so I would like to see all files in regards to complaints in regards to fees.

Please call to discuss these issues. I am only looking for equal treatment.

Ralph

OIC 4048 taylor 1167

-----Original Message-----
From: "Singer, Alan (OIC)" <AlanS@OIC.WA.GOV>
Sent 5/24/2011 3:48:38 PM
To: "Ralph Taylor" <rtaylor@orioninsgroup.com>
Cc: "Azevedo, Marianne (OIC)" <MarianneA@oic.wa.gov>, "Tribe, Christine (OIC)" <ChrisT@OIC.WA.GOV>
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Hi Ralph,

Please see attached. Originals being mailed today. Thanks,

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

OIC 4048 taylor 1168

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270
Date: Wednesday, May 25, 2011 4:18:16 PM

Sounds good

From: Singer, Alan (OIC)
Sent: Wednesday, May 25, 2011 2:32 PM
To: Sureau, Carol (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

OK. The letter accompanying the proposed consent order he received gave him until 6/14 to return the consent order. If one isn't received by then, I'll revisit this with you before proceeding to issue a hearing notice.

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Sureau, Carol (OIC)
Sent: Wednesday, May 25, 2011 2:18 PM
To: Singer, Alan (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

I am not calling him.

From: Singer, Alan (OIC)
Sent: Wednesday, May 25, 2011 2:13 PM
To: 'Ralph Taylor'
Cc: Mark, Eric (OIC); Sureau, Carol (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Hi Ralph,

As we just briefly discussed, your public records act request should be directed to Eric Mark, who I am copying to this message. As I understand it, the approximately 60 firms you are asking about are the ones in this list that you provided previously:

Anderson & Black, Soundview, Specialty Auto, Parker Smith & Feek, Bob Wagner Insurance, Alaska USA, Balcos, Kibble & Prentice, Marsh USA, First Rate Insurance, Moloney ONeill, Rainwater, Northtown Insurance, McDonald Insurance Group, Rice Insurance, C Don Filer, Gurry & Rogers, Key Insurance Agency, Walt Lester Insurance , Seabury & Smith, Aon, PLC Insurance, Conover, Choice Insurance, Unity Group, Arthur Gallagher, Ireland Insurance Services, Eric Wagner Insurance, Bell

OIC 4048 taylor 1174

some support for a broad-based approach such as an across-the-board increase in either the state's sales tax rate or B&O tax rates, or both.

Getting a ballot measure approved in special session rests in the hands of moderate-to-conservative Senate Democrats - known as the "Roadkill Caucus." Many Roadkill Democrats are opposed to tax increases - but will they support placing a tax measure on the ballot for voters consideration? If this group of Democrats provides the votes to get a proposal to the ballot, expect them to extract concessions in additional cuts and reforms in general government.

In the meantime, Governor Gregoire's budget director has asked state agencies for proposals to make 5% - 10% cuts by next Tuesday. Legislative budgetwriters meet with the Governor by conference call today to discuss potential options. Democrats are meeting again in 10 days to weigh their options. Stay tuned.

Agent Fees & Disclosure

The Office of the Insurance Commissioner has received numerous complaints from customers about the charging of agent fees. Last month they sent out a survey to 150 agents selected randomly to collect information about fees and how retail agencies are disclosing them to their customers. While the OIC is still collecting the surveys back, they have identified some trends already. Many agencies are failing to include the name of the insurance company and information about any compensation they may receive from the company as required in RCW 48.17.270 and WAC 284.30.750. IIABW will be working on some model forms which we will share with the Office of the Insurance Commissioner for comment and then share with the IIABW membership.

Work Comp Rate Increases (Again)

Washington's Department of Labor & Industries wants to raise workers' comp rates by as much as 8% next year even though the agency admits that the reform legislation approved earlier this year will produce $1.1 billion in savings over the next four years. As a result of these changes, the department could hold steady on rates next year and still have money left over to put back into its depleted reserves. Officials plan to announce proposed 2012 rates on Sept. 20 (Source: AWB).

Washington Stays in Multi-State Lawsuit

Attorney General Rob McKenna was within his rights when he brought Washington into a multi-state lawsuit challenging the constitutionality of the new federal health-care law, the state Supreme Court said recently. The ruling left open the possibility that Gov. Chris Gregoire, a supporter of the new law, could intervene to stop McKenna, but the governor said she will not do that.

Challenge to Health Care Law

An appeals court rejected challenges by Virginia to invalidate President Obama's health care law as unconstitutional. The U.S. Court of Appeals for the Fourth Circuit overturned a lower court judge who had ruled the federal government could not compel people to buy health insurance or face paying a penalty, known as the individual mandate and a critical part of the bill.

Virginia had contended the individual mandate provision conflicted with a state statute, giving it standing to challenge the federal law. But the appeals court found Virginia did not have the right to challenge it.

This ruling was the second major victory at the appellate level for the White House over an issue that will likely be taken up by the U.S. Supreme Court in its 2011-2012 term. In late June, the U.S. Court of Appeals for the Sixth Circuit in Cincinnati upheld the individual mandate by ruling that Congress had the power to require Americans to buy health insurance.

That contrasts with a ruling by the 11th Circuit in Atlanta in August against the individual mandate requirement in a challenge brought by 26 states that sued to block the law directly rather than pass their own statutes to do so. In that case, the court overturned a decision that rejected the entire healthcare law.

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LA Staff
March 2010

Bader	1036934	**New England Group.** Spoke with COMPL, a licensed agent, then reviewed website of fraudsters. Investigation revealed that imposters are using her business, most likely with information obtained from husband's obituary and BBB site, to lure job-hunters for the purpose of an international money laundering scheme. No actual insurance products are being offered by imposters, therefore no OIC jurisdiction. Matter was referred to USPIS and Bellevue PD for resolution. COMPL was advised of this and stated she was most grateful to the OIC for the assistance. Investigation closed; no jurisdiction to continue.	3/8/10
Bader	1036857	**Cardoza, Robert.** Investigation revealed that the tax preparer specializes in police officers and is located in and governed by the state of California. Consultation with DC SUREAU indicated that the product was most likely not insurance and not within the jurisdiction of the OIC. No policy was issued and the receipt is the only indicator of an insurance transaction. Investigation was referred to and accepted by the CA DOI and will be handled to conclusion by that agency. This matter is closed due to lack of jurisdiction to continue the investigation by this agency .	3/18/10
Bader	1037064	**Debeikes Insurance Agency/Richard Debeikes** - Investigation revealed that RESP quoted and submitted commercial liability coverage for 2 WA risks before he applied for his WA producer license. The pertinent sections of RCW were pointed out to RESP, a licensed CA agent, and he agreed in writing not to solicit or transact business in WA as an agent until he was properly licensed (he is at present) and appointed to do so. The investigation is closed as resolved.	3/31/10
Bertrand	1037120	**Congressional Health Plans.** RESP stated verbally they would no longer do business in WA, then followed up with a letter sent via facsimile to this investigator that Congressional Health Plans would no longer be soliciting in the State of Washington. He had agreed to return the membership fee of $75.00 to COMP immediately, and sent a copy of the check issued to COMP. I contacted the COMP, she confirmed on 03/17/10 that she received the check, and that	3/17/10

OIC 4048 taylor 1067

From:	Singer, Alan (OIC)
To:	Sureau, Carol (OIC); Hamie, John (OIC)
Cc:	Talarico, Tom (OIC); Durphy, Mark (OIC); Baughman, Jeff (OIC); Estrada, Vicki (OIC)
Subject:	FW: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270
Date:	Friday, April 08, 2011 9:36:11 AM
Attachments:	Ralph Taylor matter by K Combs -- only document in SIMBA 910559.pdf Ralph Taylor matter by K Combs -- only document in SIMBA 30832.pdf Ralph Taylor matter by K Combs -- only document in SIMBA 910532.pdf 8-20-10 Orion Ralph Taylor signed Ngoc Phan fee disclosure form.pdf

Hi Carol and John,

I apologize in advance for this lengthy email, but aft3er speaking with Vicki I believe it to be warranted to help you understand resident licensee Ralph Taylor's recent request to speak with you both.

We are coming upon growing numbers of examples of different insurance producers who have apparently failed to comply with the post-July 1 2009 version of RCW 48.17.270. One of them is Ralph Taylor/Orion Insurance Group. He charged a $150 fee to each consumer using the attached form. His email to me responding to mine to him is below, and his noncompliant form is attached.

In Mr. Taylor's case, he prepared his attached form based, in part, on his review of the below-linked California form. (See link below.) In addition, he also allegedly had been in contact with someone at OIC about the form he uses some years back, apparently Ken Combs. I believe Mr. Taylor may allege that Ken or someone else at OIC had actually previously reviewed, considered, and approved the very same form he is now told is noncompliant. Regardless, Mr. Taylor does not appear to have ever faced any enforcement action before for this form's prior use.

(Of course, without a document management system, we have no way of knowing exactly what Ken found, who he communicated his findings to within the agency, what was concluded, and so forth. But what cursory information about this previous history with Mr. Taylor that I could find is attached. It came from SIMBA, which I was able to retrieve with Tom's kind help.)

The consequences of noncompliant form use, in my view, potentially seem significant. For example, the insurance producer enforcement group will soon be asked how to deal with insurance producers like People's Insurance/Kimberly Kelly (who collected almost $100,000 in fees from about 2,000 Washington consumers in just the past year alone using her own version of a noncompliant form) and Mr. Taylor (who may have collected even more than Ms. Kelly.) Each charged tens if not hundreds of thousands of dollars in fees in just about one year, including from many non-English speaking, non-standard market consumers.

The current version of RCW 48.17.270 took effect in July 2009, but as far as I have been able to determine, I am unaware of any agency actions against any insurance producers before for similar violations. Either RCW 48.17.270 has never before been enforced, or the agency has simply not been made aware of insurance producers failing to comply with its disclosure mandates.

I also expect this agency will quickly become increasingly busy investigating, considering, and

OIC 4048 taylor 1911

taking enforcement actions for this kind of violation. To give you a sense of the numbers I know of, Mark Durphy has seen at least five such cases in the past few months, if not the past few weeks. I expect that number will substantially grow, if not at least double, and quickly. Mr. Taylor and Ms. Kelly have both indicated that every insurance producer they know who charges fees uses forms that provide less disclosure than they do. I have asked each to identify every other such insurance producer, and Ms. Kelly has so far named four, one of which is Orion/Mr, Taylor, and all of which have resulted in new investigations to scrutinize for compliance with RCW 48.17.270 and WAC 284-30-750. As each of these cases is investigated and brought to the insurance producer enforcement group for enforcement, each such case will need to be addressed on a case-by-case basis. The group will be required to determine what consequence, if any, should or will lie for the insurance producer at issue. I would imagine that all of this will consume a great deal of agency resources.

I think Mr. Taylor wants to discuss with you both how he and all other Washington insurance producers can comply with RCW 48.17.270. (I have told him and Ms. Kelly to each read RCW 48.17.270 for guidance, and to consult counsel to help them if they do not understand it, since I am unable to provide legal advice.) Perhaps Mr. Taylor wants to ask OIC to consider undertaking rulemaking to implement RCW 48.17.270 and other fee-charging disclosure requirements and to make it clearer to insurance producers and consumers what fees can be charged and how. In my two or three conversations with Mr. Taylor, he has explained that he believes the fees he charges are not bad for consumers, and he has provided his own reasons for believing them to be reasonable and appropriate. He has repeatedly tried to tell me about examples of satisfied consumers who greatly appreciated his services, and he apparently feels strongly that the fees he charges are integral to this. He feels that while he charges fees, his work ensures that consumers do see lower costs. He claims that insurers are trying to control insurance producers, and that insurers and not insurance producers' fees are the reason why consumers are paying more. I suspect Mr. Taylor wishes to speak with you both about all of this.

For what it's worth, I have many concerns about this, and think many issues need to be considered, including, among others, the amount of the fee, the frequency with which one consumer can be charged, how they are charged, and the understanding and knowing consent of the consumer. I question whether more charges and fees for consumers is as good for consumers as Mr. Taylor seems to believe they are.

I hope this is helpful.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

OIC 4048 taylor 1912

Soundview Insurance Agency Inc
PO Box 6249
Lynnwood, WA 98036
Phone : 800-803-7000 Fax : 425-712-1058

INVOICE# 11254		Page 1
ACCOUNT NO. OLSEN-1	OP BR	DATE 04/12/11
AMOUNT PAID		AMOUNT DUE $ 125.00

Olsen Law Firm PLLC
205 S Meridian
Puyallup, WA 98371

*** PLEASE RETURN TOP PORTION WITH REMITTANCE ***

Itm #	Eff Date	Trn	Type	Description		Amount
INVOICE #	11254					
132434	04/11/11	NEW	BOND	New business	$	100.00
132435	04/11/11	AFE	BOND	Agency fee	$	25.00
				Invoice Balance:	$	125.00

No action taken

Sheriff Indemnity Bond #5100200 King County Housing vs
Christopher Michael Clough

OIC 4048 taylor 1870

VERN FONK INSURANCE SERVICES, INC.

Locations to Serve Your
Tacoma-Vancouver-Portland-Kent-Seattle-Eastside-Everett-LynnwoodLacey-Burlington-Pt Angeles

BROAD FORM NAMED OPERATOR ENDORSEMENT

*****ACKNOWLEDGEMENT*****

I, the undersigned, acknowledge I have been made aware of the following coverage's and exclusions provided by a Broad Form Named Operator Endorsement.

Initial_____ I am only insured for any car, owned or non-owned, that is driven by me.
Initial_____ Any non-owned car that I drive must be with the permission of the owner.
Initial_____ I am not insured for any motor vehicle being used for hire.
Initial_____ I am not insured for any motor vehicle being used in any business or commercial occupation.
Initial_____ I am not insured for any motor vehicle being driven in an organized speed contest.
Initial_____ I am not insured for motor cycles, motor scooters or motorized bicycles.
Initial_____ I understand this policy is **excess** over any other policy on the car that I am driving.
Initial_____ I am NOT insured in the event that someone other than myself, including a spouse, is driving a car owned by me.
Initial_____ I understand there is NO insurance for physical damage (comp/coll) on any car owned or non-owned, being driven by me.

Initial_____ I understand that I am purchasing **LIABILTY LIMITS** of : _______________ and that higher limits of liability are available for purchase for additional premium. The Vern Fonk Insurance Services Inc encourages the purchase of higher limits of liability.
Initial_____ **PERSONAL INJURY PROTECTION/MEDICAL** has been explained to me and I DO NOT wish to purchase this coverage. I understand that I may purchase this coverage in the future for an additional premium.
Initial_____ **UN/UNDERINSURED MOTORIST** for **BODILY INJURY** has been explained to me and I **DO NOT** wish to purchase this coverage.
Initial_____ **UN/UNDERINSURED MOTORIST PROPERTY DAMAGE** has been explained to me and I **DO NOT** wish to purchase this coverage.

Initial_____ **MOTOR CLUB/TOWING/ROADSIDE ASSISTANCE** has been explained to me and I **DO NOT** wish to purchase this coverage.

*****ACKNOWLEDGEMENT*****

Initial_____ The base commission we earn is $____ per month. This policy includes a $65.00 Agency Fee or a rewrite Agency Fee of $40.00(and if SR22 required a $25.00 fee) which has already been figured into the quote that was given to you. **All Agency Fees are fully earned and nonrefundable.** Your signature below acknowledges the Agency Fee charge.

*****ACKNOWLEDGEMENT*****

Initial_____ I have been offered the option to purchase Life Insurance and I do not qualify for Life Insurance.

Initial_____ I have been offered the option to purchase Life Insurance and I decline to purchase it.

INSURED'S NAME_____

INSURED'S SIGNATURE_____DATE_____

DO NOT ACCEPT TAKEN

OIC 4048 taylor 1865

From:	Kevin Mulvaney
To:	Singer, Alan (OIC)
Cc:	"Craig Rexroat"
Subject:	Waiver Forms for Vern Fonk Insurance
Date:	Wednesday, April 13, 2011 11:39:48 AM
Attachments:	waiver forms for vern fonk.pdf

Good morning Alan,

Jimmy from my Lynnwood office indicated you were looking for our Waiver Forms that identify the fees we charge for the Vern Fonk Insurance Services Office.

Enclosed are the two forms we use with each new insured (Broadform and Standard).

If you have any further questions, please contact Brian Connolly @428-258-5900 or our Operations Exec Craig Rexroat in our Tacoma office at 253-584-7722

Thank you

From: Singer, Alan (OIC) [mailto:AlanS@OIC.WA.GOV]
Sent: Wednesday, April 13, 2011 9:22 AM
To: jim@vernfonk.com
Subject: contact

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

OIC 4048 taylor 1866

VERN FONK INSURANCE SERVICES, INC.

Locations to Serve Your
Tacoma-Vancouver-Portland-Kent-Seattle-Eastside-Everett-Lynnwood-Lacey-Burlington-Pt Angeles

WAIVER

Initial_____ **PERSONAL INJURY PROTECTION/MEDICAL** has been explained to me and I **DO NOT** wish to purchase this coverage. I understand that I may purchase this coverage in the future for an additional premium.

Initial_____ **UN/UNDERINSURED MOTORIST** for **BODILY INJURY** has been explained to me and I **DO NOT** wish to purchase this coverage.

Initial_____ **UN/UNDERINSURED MOTORIST PROPERTY DAMAGE** has been explained to me and I **DO NOT** wish to purchase this coverage.

Initial_____ I am electing **NOT** to purchase **COMPREHENSIVE** and **COLLISION** coverage for my vehicle(s). I understand that my vehicle(s) WILL NOT be afforded any physical damage coverage, including but not limited to: FIRE, THEFT, VANDALISM or COLLISION. I understand that I may purchase this coverage in the future for an additional premium. (Vehicle(s) _____)

Initial_____ I am electing to purchase **COMPREHENSIVE** and **COLLISION** coverage for my vehicle(s). I understand that the deductible for the **COMPREHENSIVE** and **COLLISION** is _____/_____ per occurrence. I also understand that for an additional premium, "NON-FACTORY"/ CUSTOM equipment must be SCHEDULED for an ADDITIONAL premium in order for that equipment to be covered. (Vehicle(s)_____)

Initial_____ I understand that I am purchasing LIABILTY LIMITS of : _______________ and that higher limits of liability are available for purchase for additional premium. The Vern Fonk Insurance Services Inc encourages the purchase of higher limits of liability.

Initial_____ **MOTOR CLUB/TOWING/ROADSIDE ASSISTANCE** has been explained to me and **I DO NOT** wish to purchase this coverage.

*****ACKNOWLEDGEMENT*****

Initial_____ The base commission we earn is $____ per month. This policy includes a $65.00 Agency Fee or a rewrite Agency Fee of $40.00 (and if SR22 required a $25.00 fee) which has already been figured into the quote that was given to you. **All Agency Fees are fully earned and nonrefundable.** Your signature below acknowledges the Agency Fee charge.

*****ACKNOWLEDGEMENT*****

Initial_____ I have been offered the option to purchase Life Insurance and I do not qualify for Life Insurance.

Initial_____ I have been offered the option to purchase Life Insurance and I decline to purchase it.

INSURED'S NAME_____

INSURED'S SIGNATURE_____DATE_____

NO ACTION TAKEN

OIC 4048 taylor 1864

VERN FONK INSURANCE SERVICES, INC.

Locations to Serve Your
Tacoma-Vancouver-Portland-Kent-Seattle-Eastside-Everett-LynnwoodLacey-Burlington-Pt Angeles

BROAD FORM NAMED OPERATOR ENDORSEMENT

*****ACKNOWLEDGEMENT*****

I, the undersigned, acknowledge I have been made aware of the following coverage's and exclusions provided by a Broad Form Named Operator Endorsement.

Initial_____ I am only insured for any car, owned or non-owned, that is driven by me.
Initial_____ Any non-owned car that I drive must be with the permission of the owner.
Initial_____ I am not insured for any motor vehicle being used for hire.
Initial_____ I am not insured for any motor vehicle being used in any business or commercial occupation.
Initial_____ I am not insured for any motor vehicle being driven in an organized speed contest.
Initial_____ I am not insured for motor cycles, motor scooters or motorized bicycles.
Initial_____ I understand this policy is **excess** over any other policy on the car that I am driving.
Initial_____ I am NOT insured in the event that someone other than myself, including a spouse, is driving a car owned by me.
Initial_____ I understand there is NO insurance for physical damage (comp/coll) on any car owned or non-owned, being driven by me.

Initial_____ I understand that I am purchasing **LIABILTY LIMITS** of : _______________ and that higher limits of liability are available for purchase for additional premium. The Vern Fonk Insurance Services Inc encourages the purchase of higher limits of liability.
Initial_____ **PERSONAL INJURY PROTECTION/MEDICAL** has been explained to me and I DO NOT wish to purchase this coverage. I understand that I may purchase this coverage in the future for an additional premium.
Initial_____ **UN/UNDERINSURED MOTORIST** for **BODILY INJURY** has been explained to me and I **DO NOT** wish to purchase this coverage.
Initial_____ **UN/UNDERINSURED MOTORIST PROPERTY DAMAGE** has been explained to me and I **DO NOT** wish to purchase this coverage.

Initial_____ **MOTOR CLUB/TOWING/ROADSIDE ASSISTANCE** has been explained to me and I **DO NOT** wish to purchase this coverage.

*****ACKNOWLEDGEMENT*****

Initial_____ The base commission we earn is $____ per month. This policy includes a $65.00 Agency Fee or a rewrite Agency Fee of $40.00(and if SR22 required a $25.00 fee) which has already been figured into the quote that was given to you. **All Agency Fees are fully earned and nonrefundable.** Your signature below acknowledges the Agency Fee charge.

*****ACKNOWLEDGEMENT*****

Initial_____ I have been offered the option to purchase Life Insurance and I do not qualify for Life Insurance.

Initial_____ I have been offered the option to purchase Life Insurance and I decline to purchase it.

INSURED'S NAME_____

INSURED'S SIGNATURE_____DATE_____

OIC 4048 taylor 1865

Azevedo, Marianne (OIC)

From: Azevedo, Marianne (OIC)
Sent: Wednesday, October 28, 2009 8:22 AM
To: 'April Conrad'
Subject: RE: Case # 1030856, Shane Smith
Attachments: disclosureDocument Ins West.doc

10/28

Good Morning April,

I appreciate your response. Generally we do not approve disclosure forms but since this was part of a case I will assist you. Attached is your form that I changed a bit. I changed upper to lower case for the ease of reading.

The heading "coverages if applicable" is confusing. It can be labeled Disclosure or Policy Disclosure, since you are disclosing several things on this form. This form most likely will be used every time so it will be applicable, if it is only a fee disclosure you can have a separate form for fee only. Just a suggestion.

I attached your disclosure with some changes that satisfies RCW 48.17.270.

The full amount of the fee [which you had]
The full amount of the commission amount $185.20 [which was missing- **a percentage amount is not acceptable]**
The contingent commission disclosure [which you had]
The full name of the insurer [which was missing- **you must have the full name of the insurer** i.e. Progressive Casualty; Progressive Classic; and Progressive Preferred must be used]

Contact me if you have any questions.

Regards,
Marianne Azevedo, Investigator
[360]725-7265
[360]586-2022 FAX
E-mail marianna@oic.wa.gov

4048Taylor383

From: April Conrad [mailto:april@insurancewestinc.com]
Sent: Tuesday, October 27, 2009 6:32 PM
To: Azevedo, Marianne (OIC)
Subject: Case # 1030856, Shane Smith

Dear Marianna:

Thank you for notifiying me on the correct name for the insurance company. I will correct this immedialty. Due to my error on the insurance company name I have refunded the fee to Mr. Shane Smith. I was wondering however for some of our companies like Progressive who have several names that all start with Progressive. ie: Progressive Casualty Insurance Company, Progressive Classic Insurance Company or Progressive Preferred Insurance Company. Do we need to break them down or can we put Progressive Insurance Company or something like Progressive and it's affiliates. I just want to make sure we have it correctly on our forms.

[redacted]

OIC 4048 taylor 1541

Activity Log

Activity Date : 08/24/2009 **Division** : Investigation
Staff : Victoria Estrada **Manual Entry** : N
Action : SC - Staff Change
Comment : The Case is assigned to Marianne Azevedo on 8/24/2009 by Victoria Estrada.

Activity Log

Activity Date : 10/01/2009 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : sent a copy of the complaint to the agency

Activity Log

Activity Date : 10/12/2009 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : Oct 6, 2009 we received a response from April Conrad of Insurance West Inc.

Activity Log

Activity Date : 10/12/2009 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : sent letter requesting the agency to correct its disclosure form.

Activity Log

Activity Date : 10/23/2009 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : sent a copy of the agents Oct 6, 2009 response to the consumer Shane Smith.

Activity Log

Activity Date : 10/28/2009 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : rec'd a response from April Conrad, producer

Activity Log

Activity Date : 10/28/2009 **Division** : Investigation
Staff : Marianne Azevedo **Manual Entry** : Y
Action : OT - Other
Comment : sent a TA email in return, outling the changes that should be made in the agency's disclosure form

4048Taylor367

OIC 4048 taylor 1525

Villaflores, Lorie (OIC)

From: tshane09@gmail.com
Sent: Wednesday, August 12, 2009 9:06 AM
To: OIC Investigation Request
Cc: tshane09@gmail.com
Subject: Washington State Office of the Insurance Commissioner Request for Investigation Form

Request for an investigation - submitted information

Step 1. Your Contact information

Name: Shane Smith
Address: PO Box 1841
City: Vancouver
State: WA
Zip Code: 98668
Email: tshane09@gmail.com
Home Phone: 360-566-7077
Work Phone:
Cell Phone:

Step 2. Insured Contact Information (if different than Step 1)

Insurer Name:
Address:
City:
State:
Zip Code:
Email:
Home Phone:
Work Phone:
Cell Phone:

Step 3. Insurance Information

Insurance company involved: GMAC
Policy#:

Step 4. Agent or Broker Information

Agent/Broker name: INSURANCE WEST INC
Phone:
Address:

[redacted]

4048Taylor368

OIC 4048 taylor 1526

Open/Close

Open Date	08/24/2009	**Tickler Date**	
Close Date	10/28/2009		
Disposition Code 1	K - Technical Assistance		
Disposition Code 2			
Disposition Code 3			
Conduct			
Timeliness			
Response Mode		**Money Recovered**	80.00
Staff	Azevedo, Marianne	**Refer To**	Investigation
Referred Date			
Violation			

Coverage

Coverage Type	
First Level	
Second Level Code 1	
Second Level Code 2	
Second Level Code 3	
Med/Sup Type	

Complaint Reason

Category : INV - Investigation

Reason : H - Conduct Indicating Untrustworthy or Incompetent

Interview

Contact Name			
Street1			
Street2			
City		**Country**	
State/Province		**Zip**	
Work Phone		**Extension**	
Home Phone		**Cell Phone**	
Fax		**Email**	
Interview Date		**Class**	
Incident Date			
Contact Reason		**FFINT**	
Synopsis			
Evidence			

4048Taylor366

OIC 4048 taylor 1524

Bragg, Alyson (OIC)

From: nevans1@farmersagent.com
Sent: Thursday, September 10, 2009 4:35 PM
To: OIC Web Complaint Form
Cc: nevans1@farmersagent.com
Subject: Washington State Office of the Insurance Commissioner Online Complaint Form

Online Complaint Form Submitted Information

Step 1. Contact information

Name: Nick Evans
Address: 18313 127th Ave NE, Apt 1311
City: Bothell
State: WA
Zip Code: 98011
Email: nevans1@farmersagent.com
Home Phone: 206-920-9738
Work Phone:
Cell Phone:

Step 2. Name of Policyholder (if different than Step 1)

Insurer Name:
Address:
City:
State:
Zip Code:
Email:
Home Phone:
Work Phone:
Cell Phone:

Step 3. Insurance Information

Insurance company involved: Progressive/Ford of Kirkland
Type of policy: Individual
Policy#:
Claim#:
Date of loss:
Type of Insurance: Personal Auto/Motorcycle/RV
Type of Insurance Other:
Plan Sponsor/Employer:

4048Taylor315
OIC 4048 taylor 1473

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone (360) 725-7000
www.insurance.wa.gov

OFFICE OF
INSURANCE COMMISSIONER

October 7, 2009

NICK EVANS
18313 127TH AVE NE APT 1311
BOTHELL WA 98011

Re: Case No: 1032211
Licensee: BROOKEY INSURANCE SERVICES, LLC

Dear Mr. Evans:

This letter is to let you know your complaint involving the above referenced licensee has been received by our department. The case has been assigned to Investigator Marianne Azevedo in our Tumwater office. She will proceed with this matter as rapidly as possible and keep you informed of her progress. However, do not be concerned if you do not hear from her during the next several weeks.

We may contact the insurance agent, broker, or company in relation to your concerns and request that they provide an explanation along with supporting documentation. Please be aware that you may be contacted by any one of these entities as a result of this inquiry. Ms. Azevedo will contact you once she has reviewed all appropriate correspondence and information.

Thank you for contacting the Office of the Insurance Commissioner. We are pleased to be of assistance to you in this matter. If you have any further questions or concerns, please feel free to contact Ms. Azevedo at 360/725-7265. We appreciate your patience.

Sincerely,

for Victoria Estrada
THOMAS H. TALARICO
Acting Manager
Investigations & Enforcement Program

4048Taylor317

[redacted] 4048 taylor 1475

From: Singer, Alan (OIC)
To: Sureau, Carol (OIC)
Subject: FW: Your Public Disclosure Request dated 5/31/2011
Date: Tuesday, July 12, 2011 3:41:12 PM
Attachments: 4048Taylorinstallment1.BATES_Part2.pdf
4048Taylorinstallment1.BATES_Part1.pdf

Hi Carol,

Given this, I would suggest we reconsider this matter. May I bring this to the PE group to decide?

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, July 12, 2011 2:20 PM
To: Singer, Alan (OIC)
Subject: Fw: Your Public Disclosure Request dated 5/31/2011

Alan,

If you look at page 165 part 2 you will see that a technical guidance was given by Marianne in regards to the fee agreement. She actually just modified the form and told them how to correct it. I would think that Orion having been audited with no issues already and never having had an issue I would have been given the same latitude in regards to a technical assistance. Insurance West had multiple violations by this time and they were still given a better outcome then myself. I would think that the enforcement has to be unarbitrary by the office. There were other instances where a fee was charged and there was no action. I will be sending out the request for change in rules today. I have not received all the information I have requested so I do not know how arbitrary this issue is in it's enforcement. Let me know what you think.

Ralph

-----Original Message-----
From: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>
Sent 7/12/2011 10:42:36 AM
To: rtaylor@orioninsgroup.com

OIC 4048 taylor 1357

NORTHERN INVESTORS COMPANY

P.O. BOX 12909, SEATTLE, WA 98111 PHONE (206) 441-6171 * FAX (206) 441-3141 DENNY BUILDING 2200 6TH AVE., SUITE 513

DEFERRED PAYMENT OF PREMIUM AGREEMENT

NIC # 1515 04/14/2009 (0)

INSURED: ABLE COURIER SYSTEMS INC
ATTN DEBI & STEVE GATTO
ADDRESS: PO BOX 66435
SEATTLE, WA 98166

INSURANCE AGENCY NAME: KIBBLE & PRENTICE a USI Company
ADDRESS: PO BOX 370
SEATTLE, WA 98111

POLICY NUMBER	EXPIRATION DATE	INSURANCE COMPANY NAME AND ADDRESS	POLICY TERM IN MONTHS	PREMIUM
TBD	04/01/2010	SAFECO / LIBERTY MUTUAL	12	1,107.00
	04/01/2010	NATIONAL CASUALTY CO / CRC	12	49,277.00
52MSJO8613	04/01/2010	HARTFORD INS	12	4,157.00
	04/01/2010	KIBBLE & PRENTICE / BROKER FEE	12	2,500.00

☐ PERSONAL LINES
☒ COMMERCIAL LINES
(Check appropriate box)

ITEMIZATION OF AMOUNT FINANCED

A. TOTAL PREMIUMS		A	TOTAL PREMIUM $ 57,041.00
B. 20 % OF PREMIUM (Including any and all taxes and fees)	$ 11,408.20	B	DOWN PAYMENT $ 11,408.20
C. BALANCE PAYABLE TOTAL OF PAYMENTS		C	BALANCE PAYABLE TOTAL OF PAYMENTS $ 47,674.86
D. FINANCE CHARGE	$	D	FINANCE CHARGE $ 2,042.06
E. AMOUNT FINANCED		E	AMOUNT FINANCED (Less finance charge) $ 45,632.80
TOTAL CASH PAYMENT REQUIRED	$ 11,408.20		

YOUR PAYMENT SCHEDULE WILL BE: NO ADVANCED NOTICE OF PAYMENTS WILL BE SENT

NO OF PAYMENTS	AMOUNT OF INSTALLMENTS	WHEN PAYMENTS ARE DUE		
		MO. DUE DATE	BEGINNING	ENDING
10 X	$ 4,767.49	10TH	05/10/2009	02/10/2010
X	$			

ANNUAL PERCENTAGE RATE: 8.25 %

In consideration of the loan made to the Insured by Northern Investors Company (herein referred to as "NIC"), the proceeds of which will be remitted to Insured above-named insurance agency or broker, the insured unconditionally promises to pay to NIC, at the address set forth above, the total of payments in box C above in accordance with the PAYMENT SCHEDULE, subject to the provisions set forth above. **THE INSURED HAS READ ALL OF THE PROVISIONS ON FOLLOWING PAGE HEREOF AND UNDERSTANDS THAT ALL SUCH TERMS ARE A PART OF THIS AGREEMENT.** The undersigned has executed this agreement and received a copy thereof on the date indicated below.

4/9/09
Date

ABLE COURIER SYSTEMS INC
ATTN DEBI & STEVE GATTO
Printed name of Insured

Signature and title of Insured or their Authorized Agent

The undersigned broker warrants and agrees that the insured(s) has received a copy of this agreement, the statements and figures are true and correct, and that the insureds' signature(s) are genuine. The undersigned broker agrees to remit any payments collected on behalf of NIC to NIC.

Signature of Authorized Representative

OIC 4048 taylor 1356

STANDARD BROKER FEE AGREEMENT & DISCLOSURE

1. The parties to this agreement are _____ and Orion Insurance Group, Inc. (Brokerage).

2. CLIENT appoints Brokerage as CLIENT's Insurance Brokerage of Record.

3. This agreement shall become operative on today's date and shall continue in full force until terminated by either party.

4. Brokerage agrees to represent CLIENT honestly and competently.

5. CLIENT agrees to pay Brokerage a service fee for Broker's services. The broker fee charge is $_____. **(THIS AMOUNT IS INCLUDED IN YOUR DOWN PAYMENT)**

6. Do not sign any service fee agreement unless all of its blank lines and spaces have been filled-in and you have read this entire document and the agreement carefully.

7. Your insurance brokerage represents you, the consumer, and is entitled to a service fee if they choose. This fee is not set by law, and may be negotiable between you and the brokerage. A percentage of the brokerage fee may be paid to a referral source where law permits.

8. This service fee is non-refundable even if you cancel your coverage.

9. You are entitled to obtain and keep a completed copy of this disclosure and any service fee agreement you sign.

10. Your brokerage may receive commission from your insurance company(ies) for placing your insurance. Commissions can range from 0 to 20%. The commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.

11. Your brokerage may receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated; and

    a) Will furnish to the insured or prospective insured specific information relating to additional commission upon request;

and

    b) The full name of the insurer that may pay any commission to the insurance producer.

12. Client agrees by signing below that this form conforms to RCW 48.17.270 and it's disclosure requirements. A copy of RCW 48.17.270 will be furnished if requested.

_____ Date

Client Signature

_____ Date

Producer or Broker Signature

OIC 4048 taylor 1346

STANDARD BROKER FEE DISCLOSURE & AGREEMENT

This disclosure was prepared by the California Insurance Commissioner. Please read it carefully!

I **Do not sign any broker fee agreement unless all of its blank lines and spaces have been filled-in and you have read this entire document and the agreement carefully.**

II **Your insurance broker represents you, the consumer, and is entitled to charge a broker fee if he/she chooses. This fee is not set by law, and may be negotiable between you and the broker.**

III **It is illegal or improper for an insurance broker to charge you a fee for placing coverage solely with the California Automobile Assigned Risk Plan or the California FAIR Plan. Fees may be charged for placement of other coverages.**

IV **Broker fees are often non-refundable even if you cancel your coverage. Refer to your broker fee agreement to see if your broker fee is non-refundable. However, you may be entitled to a full refund of a broker fee if your broker acted incompetently or dishonestly. Unresolved disputes over non-refunded broker fees can be forwarded to the Department of Insurance for review.**

V **You are entitled to obtain and keep a completed copy of this disclosure and any broker fee agreement you sign.**

VI **Your broker may receive commission from insurance company(ies) for placing your insurance. This commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.**

VII **If you will be paying your premium in installments to a finance company, by law you must receive a copy of a premium finance disclosure and agreement. Be sure to obtain and read those documents before signing a premium finance agreement. Also, ask the broker if the insurer offers its own installment payment plan. Insurer installment plans are often cheaper than premium financing through a separate premium finance company.**

VIII **If your broker is placing automobile coverage, your broker must provide you with a copy of the current Department of Insurance pamphlet *Automobile Insurance*. If your broker is placing residential coverage, your broker must provide you with a copy of the current Department of Insurance pamphlet *Residential Insurance*. By signing this disclosure your acknowledge receipt of the appropriate pamphlet(s).**

Client initials:_____

Broker Fee Agreement:

1. **The parties to this agreement are _____("CLIENT") AND _____("BROKER").**
2. **CLIENT appoints BROKER as CLIENT'S insurance broker of record.**
3. **This agreement shall become operative on _____**
4. **BROKER agrees to represent CLIENT honestly and competently.**
5. **CLIENT agrees to pay BROKER a broker fee for BROKER'S services. The broker fee is $_____.**
6. **BROKER may in the future charge CLIENT, and CLIENT agrees to pay, additional fee(s) for the services listed below. The additional fees and services are:**

Service	Amount

_____ _____

Client Signature **Date**

_____ _____

Broker Signature **Date**

In case of any questions or problems concerning broker fees or insurance, contact the Department of Insurance at (800) 927-HELP.

OIC 4048 taylor 1347

BROKER FEE AGREEMENT FORM

IN CONSIDERATION OF YOUR PLACING MY INSURANCE AS DESCRIBED IN THE POLICY NUMBER APPEARING BELOW, I AGREE TO PAY THE TOTAL COST BELOW WHICH INCLUDES ALL PREMIUMS, INSPECTION CHARGES, OTHER EXPENSES AND/OR FEE FOR ADDITIONAL COMPENSATION, IN ADDITION TO COMMISSIONS RECEIVED.

I FURTHER UNDERSTAND AND AGREE THAT SUCH FEE AND/OR INSPECTION CHARGES *ONLY* ARE FULLY EARNED (UNLESS THE POLICY IS QUOTED "FULLY EARNED") FROM THE INCEPTION DATE OF THE POLICY REGARDLESS OF WHETHER SAID POLICY IS CANCELLED.

IT IS UNDERSTOOD AND AGREED THAT THIS PAYMENT IS BEING MADE AS ALLOWED BY SECTION 2119C AND SECTION 2119D OF THE NEW YORK STATE INSURANCE LAW.

RE: POLICY NO._____ **INSURER** _____

PREMIUM $ _____ **TAX $** _____ **INSPECTION/ FEE $** _____

SIGNATURE OF INSURED _____

DATE _____

OIC 4048 taylor 1348

Insurance Broker Fee Agreement

INSURED: _____

It is understood and agreed by the applicant (insured) that in consideration of marketing, underwriting and placing this insurance with

_____ the carrier,

shall earn a service fee in the amount of $ _____.
This fee may or may not be in addition to a commission paid by the insurer.

This is for services rendered for the full term of the policy and is part of any annual installment. This fee is not part of the premium and has been charged with my consent and agreement.

I understand that this amount is fully earned at inception.

_____
PRINT NAME (of Person Signing)

_____
SIGNATURE (of Insured)

_____
TITLE

_____
DATE

OIC 4048 taylor 1349

pbs
INSURANCE
UNDERWRITING
CORPORATION

Professional Liability/Medical Malpractice
Preferred • Standard • Non-Standard

303 Middletown Park Place • Suite F • Louisville, KY 40243
Nationwide 1 (800) 218-1056 • (502) 244-1056 • FAX (502) 254-1056
www.pbsinsurance.com • E-mail - pbs@pbsinsurance.com

WARNING - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or files a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

STANDARD BROKER DISCLOSURE

This disclosure was prepared by the California Insurance Commissioner. Please **READ IT CAREFULLY!**

I Do not sign any broker fee agreement unless all of its blank lines and spaces have been filled-in and you have read this entire document and the agreement carefully.

II Your insurance broker represents you, the consumer, and is entitled to charge a broker fee if he/she chooses. This fee is not set by law, and may be negotiable between you and the broker.

III It is illegal or improper for an insurance broker to charge you a fee for placing coverage solely with the California Automobile Assigned Risk Plan or the California FAIR Plan. Fees may be charged for placement of other coverages.

IV Broker fees are often non-refundable even if you cancel your coverage. Refer to your broker fee agreement to see if your broker fee is non-refundable. However, you may be entitled to a full refund of a broker fee if your broker acted incompetently or dishonestly. Unresolved disputes over non-refunded broker fees can be forwarded to the Department of Insurance for review

V You are entitled to obtain and keep a completed copy of this disclosure and any broker fee agreement you sign.

VI Your broker may receive commission from insurance company(ies) for placing your insurance. This commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.

VII If you will be paying your premium in installments to a finance company, by law you must receive a copy of a premium finance disclosure and agreement. Be sure to obtain and read those documents before signing a premium finance agreement. Also, ask the broker if the insurer offers its own installment payment plan. Insurer installment plans are often cheaper than premium financing through a separate premium finance company.

OIC 4048 taylor 1350

VIII If your broker is placing automobile coverage, your broker must provide you with a copy of the current Department of Insurance pamphlet *Automobile Insurance. If your broker is placing residential coverage, your broker must provide you with a copy of the current Department of Insurance pamphlet* Residential Insurance. By signing this disclosure you acknowledge receipt of the appropriate pamphlet(s).

Client initials:_____

AUTO INSURANCE APPLICATION

Caliber Insurance

DATE: _____

Dealer:

Address:

CERTIFICATE NUMBER

NO COVERAGE WITHOUT NUMBER

Effective Date:

Vehicle Information:

Year	Make	Model	Body	Vehicle I.D. Number

LIENHOLDER / ADDITIONAL INSURED: _____

Applicant Information: *(NAME, HOME ADDRESS, ZIP & PHONE)*

_____

_____

Vehicle Value + Tax NOT to exceed $80,000 • OVER $80,000 CALL CALIBER INSURANCE OFFICE FOR QUOTE.

IF SIGNATURE DOES NOT APPEAR IN ANY BOX BASE LIMITS WILL APPLY. IF DEDUCTIBLE IS NOT CIRCLED $1,000 DEDUCTIBLE WILL APPLY.

PHYSICAL DAMAGE ONLY

DEDUCTIBLE (Please check one)

☐ $500 ☐ $1000

TOTAL DEPOSIT PREMIUM

_____

BALANCE WILL BE BILLED

STATEMENT OF UNDERSTANDING

I fully understand that only Automobile Comprehensive and Collision Coverage has been selected. This coverage does NOT provide Bodily Injury or Property Damage Liability insurance and will not fulfill the requirements of any Financial Responsibility or Mandatory Insurance Law. Liability Insurance is NOT included. I have read the insurance warning notice on the reverse side of this Reporting Form.

_____

I hereby acknowledge the coverage selected above.

LIABILITY & PHYSICAL DAMAGE INSURANCE

Bodily Injury $15,000/$30,000
Property Damage $5,000

DEDUCTIBLE (Please check one)

☐ $500 ☐ $1000

TOTAL DEPOSIT PREMIUM

_____

BALANCE WILL BE BILLED

_____

I hereby acknowledge the coverage selected above.

[illegible] PHYSICAL DAMAGE INSURANCE

Bodily Injury $100,000/$300,000
Property Damage $50,000

DEDUCTIBLE (Please check one)

☐ $500 ☐ $1000

TOTAL DEPOSIT PREMIUM

_____

BALANCE WILL BE BILLED

_____

I hereby acknowledge the coverage selected above.

DRIVER NAME	DRIVER'S LICENSE	STATE LIC.	DATE OF BIRTH	GENDER M/F	MARITAL STATUS
Applicant					

WAIVER OF THE UNINSURED MOTORIST COVERAGE

Section 11580.2 (2) of the California Insurance Code reads: " The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability policy it issued covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Such section also permits the insurer and the applicant to delete such coverage completely or to delete such coverage when a motor vehicle is operated by a natural person or persons designated by name, or agree to provide such coverage in an amount less than that required by subdivision (m) of section 11580.2 of the Insurance Code, but not less than the financial responsibility. Uninsured motorists coverage insures the insured, his heirs. or legal representatives for all sums within the limits established by law, which such person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to him from the owner or operator of an uninsured motor vehicle not owned or operated by the insured."

I have read and understand the above in accordance with such provisions of Sections 11580.2 and 11580.26 of the California Insurance Code which permit me and the Company to delete uninsured motorists coverage completely from the policy, I hereby agree with the company that the porvision in the policy covering bodily injury and property damage caused by uninsured motor vehicle is deleted completely from the policy and that the policy does not and will not afford any coverage for bodily injury or property damage caused by an uninsured motor vehicle.

CAUTION: **DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND UNDERSTAND IT. BY SIGNING HERE I ELECT NOTTO ACCEPT UNINSURED MOTORISTS COVERAGE. IF WAIVER OF UNINSURED MOTORIST NOTSIGNED COVERAGE WILL BE INCLUDED.**

_____ DATE: _____

TERMS OF COVERAGE AND DISCLOSURE OF FEES

Coverage is effective only if bound by Caliber Insurance and the applicable thirty-day (30) premium is paid, the completed Reporting Form is signed, dated and faxed to Caliber Insurance, and a Certificate Number, issued by Caliber Insurance, appears in the appropriate box above. ***This coverage will fulfulll the requirements of the Financial Responsibility and Mandatory Insurance Laws of the State of California only if Base or Lease Limits Liability is selected above and the appropriate premium is paid.*** The premiums and fees listed above provide coverage that terminates thirty (30) days from the date of this Reporting Form. Each applicable premium listed above is fully earned, non-refundable and includes a seventy-five dollar ($75.00) Certificate Fee and agree there may be up to two hundred dollar ($200.00) in broker's fee included in the total deposit premium. The Dealer/Lender/Lessor may keep part of this deposit premium. Approximately ten (10) business days after a Certificate Number has been issued, provided that the additional information section above is properly completed, the Certificate Holder will be offered coverage under a separate private passenger policy. To obtain the coverage offered, the vehicle purchaser/lessee will have the option to pay the entire six (6) month premium or make monthly premium payments subject to a fifteen dollar ($15.00) per month Installment Fee. No down payment or deposit will be required. Please see reverse side for a list of available discounts. No person is required, as a condition of financing the purchase or leasing of a motor vehicle, to purchase or negotiate any insurance through a particular insurance

OIC 4048 taylor 1352

APPLIES TO AUTOMOBILE PHYSICAL DAMAGE INSURANCE

In consideration of the premium with which this Reporting Form is submitted, it is understood and agreed that the terms and conditions of the certificate to be issued will include:
A. Form 49A-Automobile Loss Payable Endorsement
B. A provision that provides that with respect to the interest of the lienholder named on the reverse side of this reporting form, its successors and assigns (herein after called the Lienholder) in its capacity as conditional Vendor or mortgagee or otherwise, in the property insured under the certificate, the company hereby agrees as follows:
Upon repossession of the automobile the deductibles are $250 Comprehensive and $250 Collision.
C. The selling dealer warrants that the automobile shown on this reporting form has been personally inspected and has no pre-existing damage. The certificate will not provide any coverage for any pre-existing damage.

DISCOUNT DISCLOSURE

The following discounts are offered under a separate private passenger plan. Please contact Caliber Insurance Service at 1-800-379-1222 regarding eligibility for these discounts:

(1) Good Driver Discount *(2)* Multi-Car Discount *(3)* Renewal Discount *(4)* PPO Program Discount
(5) Good Driver Citation-Free Discount *(6)* Mature Driver Discount

STANDARD BROKER FEE DISCLOSURE

I. Do not sign any broker agreement unless all of its blank lines and spaces have been filled-in and you have read this entire document and the agreement carefully.
II. Your insurance broker represents you, the consumer, and is entitled to charge a broker fee if he/she chooses. This fee is not set by law, and may be negotiable between you and the broker.
III. It is illegal or improper for an insurance broker to charge you a fee for placing coverage solely with the California Automobile Assigned Risk Plan or the California Fair Plan. Fees may be charged for placement of other coverages.
IV. Broker fees are often non-refundable even if you cancel your coverage. Refer to your broker fee agreement to see if your broker fee is non-refundable. However, you may be entitled to a full refund of a broker fee if your broker acted incompetently or dishonestly. Unresolved disputes over non-refundable broker fees can be forwarded to the Department of Insurance for review.
V. You are entitled to obtain and keep a completed copy of this disclosure and any broker fee agreement you sign.
VI. Your broker may receive a commission from insurance company(ies) for placing your insurance. This commission may be paid to your broker by the insurance company (ies) in addition to any broker fee you pay.
VII. If you will be paying your premium in installments to a finance company, by law you must receive a copy of a premium finance disclosure and agreement. Be sure to obtain and read those documents before signing a premium finance agreement. Also, ask the broker if the insurer offers its own installment payment plan. Insurer installment plans are often cheaper than premium financing through a separate premium finance company.
VIII. If your broker is placing automobile coverage, your broker must provide you with a copy of the current Department of Insurance pamphlet *Automobile Insurance*. If your broker is placing residential coverage, your broker must provide you with a copy of the current Department of Insurance pamphlet *Residential Insurance*. By signing this disclosure, you acknowledge this pamphlet will be mailed to you with a full coverage quote as mentioned in the Broker Fee Agreement on the reverse of this application.

INSURANCE WARNING

If you selected Physical Damage only coverage on the front of this Reporting Form, the following notice is provided pursuant to Vehicle Code 5604.5.
Insurance Warning:
The motor vehicle physical damage insurance policy you are buying does not allow you to legally drive on the streets of California. Generally, in order to legally drive on the streets of California, you must either purchase a type of insurance called "liability insurance" or deposit a bond with the Department of Motor Vehicles. If you drive this or any other motor vehicle without liability insurance or a bond, a police officer may request evidence of liability insurance or a bond at the time of a traffic stop. If you do not have evidence of liability insurance or a bond during a traffic stop, the fines can be from several hundreds of dollars to an amount that exceeds $1,000. If you get into an accident and do not have liability insurance or a bond, you will lose your driver's license for one year. If you cause the accident and do not have liability insurance or a bond, you may have to pay the injured person yourself and these costs may be substantial.
Liability insurance as well as the insurance needed to obtain a loan for your motor vehicle may be purchased through a licensed insurance agent or broker. The price for both types of insurance may be more or less than the price for the insurance you are being offered by the dealer. The State of California advises you to shop for insurance because prices may vary substantially.
I have read this notice and understand that I am about to buy a type of insurance that is available elsewhere and that does not allow me to drive the motor vehicle legally on the streets of California.
I also understand that if I drive on the streets of California without liability insurance or a bond, then I may be subject to severe financial penalties, including fines and personal payment for any damage to others that I may cause while driving.

ADVERTENCIA SOBRE SEGURO

Si seleccionó cobertura únicamente para daños físicos al recto de esta forma de reportaje, se proporciona este noticio de acuerdo con el codigó vehicular, sección 5604.4.
Advertencia Sobre Seguro:

OIC 4048 taylor 1353

05/31/2011

ORION INSURANCE GROUP

State of Washington
Office of the Insurance
Alan Michael Singer
Legal Affairs Division

Re: Ralph G Taylor and Orion Insurance Group, Inc.
Proposed Consent Order No. 11-0123

Alan,

I have reviewed your proposed settlement and with all due respect I request that this matter go to a hearing. Due to the issue of what this order will do to the reputation of Orion as well as myself with regards to having a reprimand put on a formal record I feel that a hearing is the best resolution.

I feel that I have tried more than most agencies to be compliant with the law in regards to fee disclosure and I feel my agreement could be argued to be compliant. I have not tried to hide anything to the consumer in regards to our fees and the majority of consumers are more than willing to pay the fee. I have never had an issue with the commissioner's office and I feel that a guidance to adjust the agreement would have been better served to remedy this situation.

I would like this letter to act as a public records request to be able to get ready for the hearing. I would like a list of all complaints in regards to fees since July 1st 2009. I would like the files that were created in regards to those complaints. I would all files where a fee was evidently charged in the paperwork from July 1st 2009 that is in the possession of the office . I would like all emails between you and any supervisors in regards to Orion or the entities that I named that were charging fees. I would like the files of the agencies that you asked me to name and the disposition of their files.

I am not trying to be antagonistic in regards to this issue. I know of firms that were investigated that were charging fees that do not have the clients sign off and there was nothing done in respects to them. I know of agents, that were in the list of agents provided to you, who have charged $40,000 dollar fees. I have provided one form to show that what I said is substantiated in regards to the other agencies charging fees. If you are going to enforce this issue I would like it to be across the board.

Fees are part of doing business. Costco charges a fee to their consumer to be able to access their insurance agency, which means they are non compliant because of regulations since they do not have a fee agreement. AARP charges a fee as well as all the other associations where you have to join their group to access their arranged insurance agreements. The banks who provide insurance at closing are non compliant because they are charging fees to their customers that they would not be able to do unless they sold their insurance product and they are not disclosing everything.

4208 198th Street SW, Suite 201, Lynnwood, WA 98036 (425) 771-5197, FAX (425) 673-4427

OIC 4048 taylor 1354

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000
www.insurance.wa.gov

FILED

2011 SEP 21 P 5:37

OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

Kelly A. Cairns
Paralegal
(360) 725-7002
KellyC@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:	)	No. 11-0123
	)	
RALPH G. TAYLOR d/b/a ORION INSURANCE GROUP, INC.,	)	NOTICE OF HEARING
	)	
Licensee.	)	

TO: Ralph G. Taylor
Orion Insurance Group
4208 198th Street SW, Suite 201
Lynwood, WA 98036

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
Carol Sureau, Esq., Deputy Commissioner, Legal Affairs Division
Alan Singer, Esq., Staff Attorney, Legal Affairs Division
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On May 31, 2011, the Insurance Commissioner ("OIC") received a letter Demand for Hearing from Ralph Taylor, in the matter of Ralph G. Taylor d/b/a/ Orion Insurance Group, Inc. (Licensee). As said letter rejected the OIC's proposed Consent Order and demanded a hearing, on June 22, the OIC filed a Notice of Intention to Hold Hearing and Impose Penalties ("Notice of Intention") which outlines the issues for hearing and requests a prehearing conference.

As stated in the aforementioned Notice of Intention to Hold Hearing and Impose Penalties, the OIC's position is that the Licensee, as a resident insurance producer, charged and collected at least $100,000 from clients in fees using a form entitled Standard Broker Fee

OIC 4048 taylor 1316

Agreement & Disclosure ("Broker Agreement"). The OIC alleges that the Licensee's Broker Agreement violates RCW 48.17.270 in several respects detailed in his Notice of Intention, a copy of which is included in the hearing file. Further, the OIC asserts that by collecting a fee on at least 600 occasions using this form of Broker Agreement, the Licensee committed at least 600 violations of the Insurance Code, including RCW 48.17.270(3)(e), RCW 48.17.270(3)(b), and RCW 48.17.270(3)(d). In his Notice of Intention, the OIC seeks to impose an appropriate penalty on the Licensee for his alleged violations, the penalty to be determined by the undersigned after hearing.

The Licensee's position is as stated in his May 31, 2011, letter, a copy of which is included in the hearing file. Briefly, the Licensee asserts that he has tried more than most insurance producers to be compliant with the applicable laws in this area and feels his Broker Agreement form could be argued to be compliant; that he has not tried to hide anything to the consumer regarding his fees and the majority of consumers are more than willing to pay the fee; that he has never had an issue with the OIC; that he knows of producers who were investigated who were charging fees that do not have the clients sign off and the OIC did nothing in respect to their activities; and that he knows of producers who have charged $40,000 fees. The Licensee asserts that Costco charges a fee to their consumers to be able to access their insurance agency (and they do not have a proper fee agreement); that AARP charges a fee to join their association in order to have access to their arranged insurance agreements; that there are many other associations which require consumers to join their group to access their arranged insurance agreements; and that banks charge fees to their customers that they would not be able to do unless they sold their insurance product (and they do not provide the required disclosure). Finally, the Licensee asserts that he is compliant in the surrounding states but not in Washington due to irregularities in the insurance codes. He suggests, to ensure compliance with the Insurance Code, that the OIC post the form that the OIC wishes Washington producers to use and provide guidance in how to use the form, just as he advises California does.

On August 23, 2011, the undersigned held a first prehearing teleconference in this matter. The Licensee appeared pro se. The OIC was represented by Alan Michael Singer, Esq., Staff Attorney in the OIC's Legal Affairs Division. The undersigned reviewed administrative procedures to be expected at hearing, citing Title 48 RCW and 34 RCW, the Administrative Procedures Act, relevant sections of which are set forth in the Notice of Intention to Hold Hearing and Impose Penalties referenced above. The undersigned addressed all questions and concerns of the parties. Further, the parties agreed that the hearing should commence at **10 a.m. on Tuesday, October 25, 2011**. The parties were informed that if they had any future questions or concerns, or requests for additional prehearing conferences, they should contact Kelly Cairns, Paralegal to the undersigned, who can be reached by telephone at (360) 725-7002, e-mail at KellyC@oic.wa.gov, or at the above address.

The hearing will be held under the authority of Title 48 RCW and specifically RCW 48.04, Title 34 RCW and regulations applicable thereto. Pursuant thereto, the OIC has delegated to the undersigned the authority to conduct all activities preliminary to the hearing, the hearing and all activities following the hearing, and to determine and enter the final decision in this matter. Pursuant to Title 34 RCW, the undersigned shall handle these activities and make the final decision herein without input or communication with the Commissioner or any

OIC 4048 taylor 1317

member of his staff or others who have knowledge of the facts herein. Mr. Taylor will appear pro se, although he may retain an attorney to represent him at any time. Mr. Taylor's address is 4208 198th Street SW, Suite 201, Lynwood, Washington 98036, and his telephone number is (425) 771-5197. The OIC will be represented by Alan Michael Singer, Esq., Staff Attorney in the OIC's Legal Affairs Division. Mr. Singer's address is Office of the Insurance Commissioner, Legal Affairs Division, P.O. Box 40255, Olympia, WA 98504-0255, and his telephone number is (360) 725-7046.

As required by RCW 34.05.434(2)(I), you are advised that a party who fails to attend or participate in the hearing or other stage of the adjudicative proceeding may be held in default in accordance with ch. 34.05 RCW.

Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42, RCW, if a limited English-speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42, RCW. A Request for Interpreter form is attached to this Notice, with instructions thereon.

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

Based upon the above activity,

IT IS HEREBY ORDERED that the adjudicative proceeding in this matter shall commence on **Tuesday, October 25, 2011 at 10 a.m.**, Pacific Standard Time, in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington 98501.

ENTERED AT TUMWATER, WASHINGTON, this 21st day of September, 2011, pursuant to RCW 48.04, Title 34 RCW and applicable regulations.

PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Ralph G. Taylor, Mike Kreidler, Michael G. Watson, Carol Sureau, Esq., Alan Singer, Esq., and John F. Hamje.

DATED this 22nd day of ~~August~~ September, 2011.

KELLY A. CAIRNS

OIC 4048 taylor 1318

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Talarico, Tom (OIC)
Sent: Thursday, April 07, 2011 3:49 PM
To: Singer, Alan (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan, I found a case under Orion **Investigation 30832**, which was also handled by Ken Combs and involved Ralph Taylor. tom

---

From: Singer, Alan (OIC)
Sent: Thursday, April 07, 2011 3:07 PM
To: Talarico, Tom (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Thank you – will you please tell me how I can find the agency's documents in SIMBA on that?

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Talarico, Tom (OIC)
Sent: Thursday, April 07, 2011 2:27 PM
To: Singer, Alan (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan, I did a quick search on SIMBA and found two cases involving Ralph G. Taylor—910532 and 910559. Both were handled by Ken Combs. In case 910559 you will see a notation regarding fees and Ken had requested an explanation from him. Other than that, I have no idea who he is and was never involved in any examination or audit of his records. Tom Talarico

---

From: Singer, Alan (OIC)
Sent: Thursday, April 07, 2011 12:34 PM

OIC 4048 taylor 1269

The current version of RCW 48.17.270 took effect in July 2009, but as far as I have been able to determine, I am unaware of any agency actions against any insurance producers before for similar violations. Either RCW 48.17.270 has never before been enforced, or the agency has simply not been made aware of insurance producers failing to comply with its disclosure mandates.

I also expect this agency will quickly become increasingly busy investigating, considering, and taking enforcement actions for this kind of violation. To give you a sense of the numbers I know of, Mark Durphy has seen at least five such cases in the past few months, if not the past few weeks. I expect that number will substantially grow, if not at least double, and quickly. Mr. Taylor and Ms. Kelly have both indicated that every insurance producer they know who charges fees uses forms that provide less disclosure than they do. I have asked each to identify every other such insurance producer, and Ms. Kelly has so far named four, one of which is Orion/Mr, Taylor, and all of which have resulted in new investigations to scrutinize for compliance with RCW 48.17.270 and WAC 284-30-750. As each of these cases is investigated and brought to the insurance producer enforcement group for enforcement, each such case will need to be addressed on a case-by-case basis. The group will be required to determine what consequence, if any, should or will lie for the insurance producer at issue. I would imagine that all of this will consume a great deal of agency resources.

I think Mr. Taylor wants to discuss with you both how he and all other Washington insurance producers can comply with RCW 48.17.270. (I have told him and Ms. Kelly to each read RCW 48.17.270 for guidance, and to consult counsel to help them if they do not understand it, since I am unable to provide legal advice.) Perhaps Mr. Taylor wants to ask OIC to consider undertaking rulemaking to implement RCW 48.17.270 and other fee-charging disclosure requirements and to make it clearer to insurance producers and consumers what fees can be charged and how. In my two or three conversations with Mr. Taylor, he has explained that he believes the fees he charges are not bad for consumers, and he has provided his own reasons for believing them to be reasonable and appropriate. He has repeatedly tried to tell me about examples of satisfied consumers who greatly appreciated his services, and he apparently feels strongly that the fees he charges are integral to this. He feels that while he charges fees, his work ensures that consumers do see lower costs. He claims that insurers are trying to control insurance producers, and that insurers and not insurance producers' fees are the reason why consumers are paying more. I suspect Mr. Taylor wishes to speak with you both about all of this.

For what it's worth, I have many concerns about this, and think many issues need to be considered, including, among others, the amount of the fee, the frequency with which one consumer can be charged, how they are charged, and the understanding and knowing consent of the consumer. I question whether more charges and fees for consumers is as good for consumers as Mr. Taylor seems to believe they are.

I hope this is helpful.

Alan

Alan Michael Singer

Staff Attorney

Legal Affairs

OIC 4048 taylor 1264

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC); Hamje, John (OIC)
Cc: Talarico, Tom (OIC); Durphy, Mark (OIC); Baughman, Jeff (OIC); Estrada, Vicki (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270
Date: Friday, April 08, 2011 9:41:29 AM

Alan, we do not regulate the amount or frequency of producer fees. Let's just focus on the disclosure and think about some ways of educating the producer community.

----- Original Message -----
From: Singer, Alan (OIC)
To: Sureau, Carol (OIC); Hamje, John (OIC)
Cc: Talarico, Tom (OIC); Durphy, Mark (OIC); Baughman, Jeff (OIC); Estrada, Vicki (OIC)
Sent: Fri Apr 08 09:36:11 2011
Subject: FW: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Hi Carol and John,

I apologize in advance for this lengthy email, but aft3er speaking with Vicki I believe it to be warranted to help you understand resident licensee Ralph Taylor's recent request to speak with you both.

We are coming upon growing numbers of examples of different insurance producers who have apparently failed to comply with the post-July 1 2009 version of RCW 48.17.270. One of them is Ralph Taylor/Orion Insurance Group. He charged a $150 fee to each consumer using the attached form. His email to me responding to mine to him is below, and his noncompliant form is attached.

In Mr. Taylor's case, he prepared his attached form based, in part, on his review of the below-linked California form. (See link below.) In addition, he also allegedly had been in contact with someone at OIC about the form he uses some years back, apparently Ken Combs. I believe Mr. Taylor may allege that Ken or someone else at OIC had actually previously reviewed, considered, and approved the very same form he is now told is noncompliant. Regardless, Mr. Taylor does not appear to have ever faced any enforcement action before for this form's prior use.

(Of course, without a document management system, we have no way of knowing exactly what Ken found, who he communicated his findings to within the agency, what was concluded, and so forth. But what cursory information about this previous history with Mr. Taylor that I could find is attached. It came from SIMBA, which I was able to retrieve with Tom's kind help.)

The consequences of noncompliant form use, in my view, potentially seem significant. For example, the insurance producer enforcement group will soon be asked how to deal with insurance producers like People's Insurance/Kimberly Kelly (who collected almost $100,000 in fees from about 2,000 Washington consumers in just the past year alone using her own version of a noncompliant form) and Mr. Taylor (who may have collected even more than Ms. Kelly.) Each charged tens if not hundreds of thousands of dollars in fees in just about one year, including from many non-English speaking, non-standard market consumers.

OIC 4048 taylor 1263

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC)
Cc: Durphy, Mark (OIC); Azevedo, Marianne (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270
Date: Monday, April 11, 2011 4:04:09 PM

Let me think about it overnight.

From: Singer, Alan (OIC)
Sent: Monday, April 11, 2011 3:56 PM
To: Sureau, Carol (OIC)
Cc: Durphy, Mark (OIC); Azevedo, Marianne (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Carol,

The below licensee has responded to my questions in part by identifying several dozen other licensees who charge fees using forms that he believes also fail to comply with RCW 48.17.270. In the past when we have learned of other such non-compliant forms, new cases have been opened for each. If we do that here, that would require the opening of several dozen more new cases.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Monday, April 11, 2011 3:43 PM
To: Singer, Alan (OIC)
Cc: Durphy, Mark (OIC); Azevedo, Marianne (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan,

Anderson & Black, Soundview, Specialty Auto, Parker Smith & Feek, Bob Wagner Insurance, Alaska USA, Balcos, Kibble & Prentice, Marsh USA, First Rate Insurance, Moloney ONeill, Rainwater, Northtown Insurance, McDonald Insurance Group, Rice Insurance, C Don Filer, Gurry & Rogers, Key Insurance Agency, Walt Lester Insurance , Seabury & Smith, Aon, PLC Insurance, Conover, Choice Insurance, Unity Group, Arthur Gallagher, Ireland Insurance Services, Eric Wagner Insurance, Bell Anderson, Heritage, Propel, Bratrud Middleton, Brown & Brown, Don Swanson, Humble & Davenport, Wells Fargo, Armfield Harrison & Thomas, American Insure All, Vern Fonk, Peoples, Alliance, American Choice, Insurance West, Brookey Insurance Services, Seguros Insurance, Shireff Insurance, BGI Agency Network, Drake Rush, Rogers & Norman,

OIC 4048 taylor 1248

From: Singer, Alan (OIC)
To: Sureau, Carol (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270
Date: Wednesday, April 13, 2011 8:58:19 AM

Yes. Perhaps those were the forms he used as templates for the form he prepared and used.

I wrote that he indicated that he was "aware of other Washington insurance producers using similar, or perhaps even less detailed, fee disclosure forms," and then I asked him to please identify "all such insurance producers you know who also charge fees like the one at issue here, or use forms like the attached to charge such fees, specifically including insurance producers you said you know who are using forms like the attached and are charging fees like the one referenced in the attached. (Please include copies of such forms they use.)" Unfortunately, his answer appears to have identified dozens of insurance producers who charged fees, not necessarily those who charged fees and also used non-compliant forms. Regardless, if each is charging fees as he indicates, without investigation we cannot know how many are or are not in compliance with RCW 48.17.270.

I have called and left a message, and also emailed to ask for clarification ASAP.

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Sureau, Carol (OIC)
Sent: Wednesday, April 13, 2011 8:48 AM
To: Singer, Alan (OIC)
Subject: RE: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Looks like these are all (aside from Orion's) from out of state.

From: Singer, Alan (OIC)
Sent: Wednesday, April 13, 2011 8:42 AM
To: Sureau, Carol (OIC)
Subject: FW: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner

OIC 4048 taylor 1232

From: Tony Conti
To: Singer, Alan (OIC)
Subject: RE: Scanned from TOSHIBA202L 04/13/2011 09:31- Fees
Date: Wednesday, April 13, 2011 10:57:59 AM

Spoke to Rich! We are not feeing anything except the Bonds!

Sincerely

Tony Conti

-----Original Message-----
From: Singer, Alan (OIC) [mailto:AlanS@OIC.WA.GOV]
Sent: Wednesday, April 13, 2011 10:53 AM
To: Tony Conti
Subject: RE: Scanned from TOSHIBA202L 04/13/2011 09:31- Fees

Hi Tony,

Thanks. I cannot let you know whether this is or is not correct, but I can tell you that I appreciate your quick response.

Please ask Rich if he charges fees when dealing directly with the insured. If he does, we would also request a copy of the disclosure he uses.

Thanks,

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

-----Original Message-----
From: Tony Conti [mailto:tony@soundviewinsurance.com]
Sent: Wednesday, April 13, 2011 10:43 AM
To: Singer, Alan (OIC)
Subject: FW: Scanned from TOSHIBA202L 04/13/2011 09:31- Fees

Hi Alan

The only things that we fee at Soundview are Sheriff's bonds. We deal with a couple Attorney's and because of the short notice on the requests and the small premiums for us to at least break even we had to fee. We have an agreement with the Attorney's office that we will fee $25 on each bond and we put that on the invoice. (copy attached)

If this is not correct please let us know. We do not fee anything else!

Regards

Tony Conti

OIC 4048 taylor 1228

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC)
Subject: RE: Waiver Forms for Vern Fonk Insurance
Date: Wednesday, April 13, 2011 12:12:21 PM

I think this is compliant – what do you think?

From: Singer, Alan (OIC)
Sent: Wednesday, April 13, 2011 11:40 AM
To: Sureau, Carol (OIC)
Subject: FW: Waiver Forms for Vern Fonk Insurance

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Kevin Mulvaney [mailto:kevin@vernfonk.com]
Sent: Wednesday, April 13, 2011 11:51 AM
To: Singer, Alan (OIC)
Cc: 'Craig Rexroat'
Subject: Waiver Forms for Vern Fonk Insurance

Good morning Alan,

Jimmy from my Lynnwood office indicated you were looking for our Waiver Forms that identify the fees we charge for the Vern Fonk Insurance Services Office.

Enclosed are the two forms we use with each new insured (Broadform and Standard).

If you have any further questions, please contact Brian Connolly @428-258-5900 or our Operations Exec Craig Rexroat in our Tacoma office at 253-584-7722

Thank you

From: Singer, Alan (OIC) [mailto:AlanS@OIC.WA.GOV]
Sent: Wednesday, April 13, 2011 9:22 AM
To: jim@vernfonk.com
Subject: contact

Alan Michael Singer
Staff Attorney
Legal Affairs

OIC 4048 taylor 1226

From: Singer, Alan (OIC)
To: Sureau, Carol (OIC)
Subject: RE: RCW 48.17.270 criteria
Date: Wednesday, April 13, 2011 1:45:24 PM

I think you missed the word "any" which I included in the last bullet point – which means we're both right about when RCW 48.17.270(3)(c)'s offset or reimbursement disclosure must be made.

But if you're suggesting that there is any difference between "contingent commissions" and any other "commission paid by the insurer," I don't see that as having a basis in the language of the law. RCW 48.17.270(2) is broad as to "commission," and that includes "contingent" or any other kind of "commission" as far as I read the statute. All RCW 48.17.270(3)(d) states is that when the insurance producer "may receive additional commission," they have to give the "notice" that "states" the two things set forth in RCW 48.17.270(3)(d) sub (i) and sub(ii) – which, as you can see, I included as two sub-bullets under the last bullet below.

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Sureau, Carol (OIC)
Sent: Wednesday, April 13, 2011 1:31 PM
To: Singer, Alan (OIC)
Subject: RE: RCW 48.17.270 criteria

Alan,
I do not agree with your last bullet point. What I think the statute requires is first that, if the producer provides an offset or reimbursement, that must be included. Second, if the producer is eligible for future compensation such as contingent commissions (which I don't think retail producers get), that must be disclosed. The rest is, I think, what we discussed.

From: Singer, Alan (OIC)
Sent: Wednesday, April 13, 2011 1:20 PM
To: Sureau, Carol (OIC)
Subject: RCW 48.17.270 criteria

Carol,

I just wanted to be a little clearer about exactly what each element of RCW 48.17.270 includes for its written disclosure requirement. I think breaking it down into elements helps.

So, to be clear, RCW 48.17.270 applies when "compensation received by an insurance producer who is dealing directly with the insured includes a fee." In such a case, the statute requires a

OIC 4048 taylor 1218

"written disclosure" must be obtained first, before the purchase is made. Here are the elements that must be in that written disclosure under RCW 48.17.270(3):

- Generally, the written disclosure must include the insured's written consent, which must be obtained "prior to the insured's purchase of insurance." In the case of a "purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained," the insured need not give their written consent; but if, in those circumstances some evidence of "consent" is "documented by the insurance producer," that evidence "shall be acceptable." RCW 48.17.270(5).

- The full amount of the fee paid by the insured. RCW 48.17.270(3)(a).

- The full name of the insurer that may pay any commission to the insurance producer. RCW 48.17.270(3)(e).

- The full amount of any commission paid to the insurance producer by the insurer, if one is received. RCW 48.17.270(3)(b).

- If the insurance producer is receiving a combination of commission paid by the insurer and a fee paid by the insured, the insurance producer (who "may offset or reimburse the insured for all or part of the fee" (RCW 48.17.270(2)(c)) must disclose two things. One is an explanation of any offset or reimbursement of fees or commissions. RCW 48.17.270(3)(c). The other is a "notice" which must state:
  - that the insurance producer "[m]ay receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated." RCW 48.17.270(3)(d)(i).
  - that the insurance producer "[w]ill furnish to the insured or prospective insured specific information relating to additional commission upon request." RCW 48.17.270(3)(d)(ii).

I hope this helps. This does not, of course, address WAC 284-30-750, or other potentially applicable provisions.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner

OIC 4048 taylor 1219

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC)
Subject: RE: RCW 48.17.270 criteria
Date: Wednesday, April 13, 2011 1:30:46 PM

Alan,
I do not agree with your last bullet point. What I think the statute requires is first that, if the producer provides an offset or reimbursement, that must be included. Second, if the producer is eligible for future compensation such as contingent commissions (which I don't think retail producers get), that must be disclosed. The rest is, I think, what we discussed.

From: Singer, Alan (OIC)
Sent: Wednesday, April 13, 2011 1:20 PM
To: Sureau, Carol (OIC)
Subject: RCW 48.17.270 criteria

Carol,

I just wanted to be a little clearer about exactly what each element of RCW 48.17.270 includes for its written disclosure requirement. I think breaking it down into elements helps.

So, to be clear, RCW 48.17.270 applies when "compensation received by an insurance producer who is dealing directly with the insured includes a fee." In such a case, the statute requires a "written disclosure" must be obtained first, before the purchase is made. Here are the elements that must be in that written disclosure under RCW 48.17.270(3):

- Generally, the written disclosure must include the insured's written consent, which must be obtained "prior to the insured's purchase of insurance." In the case of a "purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained," the insured need not give their written consent; but if, in those circumstances some evidence of "consent" is "documented by the insurance producer," that evidence "shall be acceptable." RCW 48.17.270(5).

- The full amount of the fee paid by the insured. RCW 48.17.270(3)(a).

- The full name of the insurer that may pay any commission to the insurance producer. RCW 48.17.270(3)(e).

- The full amount of any commission paid to the insurance producer by the insurer, if one is received. RCW 48.17.270(3)(b).

- If the insurance producer is receiving a combination of commission paid by the insurer and a fee paid by the insured, the insurance producer (who "may offset or reimburse the insured for all or part of the fee" (RCW 48.17.270(2)(c)) must disclose two things. One is an explanation of any offset or reimbursement of fees or commissions. RCW 48.17.270(3)(c). The other is a "notice" which must state:
  - that the insurance producer "[m]ay receive additional commission in the

OIC 4048 taylor 1221

form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated." RCW 48.17.270(3)(d)(i).

- that the insurance producer "[w]ill furnish to the insured or prospective insured specific information relating to additional commission upon request." RCW 48.17.270(3)(d)(ii).

I hope this helps. This does not, of course, address WAC 284-30-750, or other potentially applicable provisions.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

OIC 4048 taylor 1222

From: Singer, Alan (OIC)
To: Sureau, Carol (OIC)
Subject: RCW 48.17.270 criteria
Date: Wednesday, April 13, 2011 1:20:03 PM

Carol,

I just wanted to be a little clearer about exactly what each element of RCW 48.17.270 includes for its written disclosure requirement. I think breaking it down into elements helps.

So, to be clear, RCW 48.17.270 applies when "compensation received by an insurance producer who is dealing directly with the insured includes a fee." In such a case, the statute requires a "written disclosure" must be obtained first, before the purchase is made. Here are the elements that must be in that written disclosure under RCW 48.17.270(3):

- Generally, the written disclosure must include the insured's written consent, which must be obtained "prior to the insured's purchase of insurance." In the case of a "purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained," the insured need not give their written consent; but if, in those circumstances some evidence of "consent" is "documented by the insurance producer," that evidence "shall be acceptable." RCW 48.17.270(5).

- The full amount of the fee paid by the insured. RCW 48.17.270(3)(a).

- The full name of the insurer that may pay any commission to the insurance producer. RCW 48.17.270(3)(e).

- The full amount of any commission paid to the insurance producer by the insurer, if one is received. RCW 48.17.270(3)(b).

- If the insurance producer is receiving a combination of commission paid by the insurer and a fee paid by the insured, the insurance producer (who "may offset or reimburse the insured for all or part of the fee" (RCW 48.17.270(2)(c)) must disclose two things. One is an explanation of any offset or reimbursement of fees or commissions. RCW 48.17.270(3)(c). The other is a "notice" which must state:
  - that the insurance producer "[m]ay receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated." RCW 48.17.270(3)(d)(i).
  - that the insurance producer "[w]ill furnish to the insured or prospective insured specific information relating to additional commission upon

OIC 4048 taylor 1223

request." RCW 48.17.270(3)(d)(ii).

I hope this helps. This does not, of course, address WAC 284-30-750, or other potentially applicable provisions.

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

OIC 4048 taylor 1224

From: Jim R. Chesemore
To: Singer, Alan (OIC)
Subject: Re: Fee Agreement
Date: Monday, April 18, 2011 3:40:14 PM

Thank you for the note. We have always taken disclosure seriously and have worked with the OIC and our attorneys to ensure we are not only compliant, but that our clients would clearly know how we are compensated. After you review our form, please do let me know if you feel any language should be changed. Thank you.

Regards.

Jim

From: Singer, Alan (OIC) <AlanS@oic.wa.gov>
To: Jim R. Chesemore
Sent: Mon Apr 18 10:54:32 2011
Subject: RE: Fee Agreement

I am not sure I am at liberty to say who named your agency, but it wasn't a complaint about your agency. You see, that insurance producer had a complaint filed with our agency about that insurance producer collecting fees. When we looked into it, we saw the form they use to charge fees might not be compliant with RCW 48.17.270. The insurance producer indicated such fee forms are common, and that 'everybody' charges fees like they do, and a lot of forms used are a lot less informative than theirs. Following that conversation with that insurance producer, we tried to learn from them what they were talking about, and they gave a list of dozens of agencies they claimed charge fees – Parker Smith and Feek was listed.

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

From: Jim R. Chesemore [mailto:jrchesemore@psfinc.com]
Sent: Monday, April 18, 2011 10:29 AM
To: Singer, Alan (OIC)
Cc: Jim R. Chesemore
Subject: Fw: Fee Agreement

Alan - here is our standard agreement. Attached. Please let me know you received this. Also - which other agency complained. Did they say which account? I will call you during my travels.

Regards,

Jim

OIC 4048 taylor 1214

Hi Ralph,

From your previous communication with Marianne Azevedo of this office, you were made aware of the attached complaint we received. In response, you provided the attached form signed by Ms. Phan. Apparently, this is a form you have used for some time, and you are still using it. You told me yesterday that when you prepared your form you did so based on your review of a form you said you saw on the California insurance department's website. You also said that your form is adequate, in your opinion, and compliant with Washington's insurance laws. You also said you were aware of other Washington insurance producers using similar, or perhaps even less detailed, fee disclosure forms.

As I discussed with you yesterday, I strongly encourage you to immediately reconsider the continued use of this form. To make sure you use a form that complies with the law, when you prepare a new one to replace the one attached, please review carefully the specific requirements of the Insurance Code, including those relating to the charging of frees, such as WAC 284-30-750 and RCW 48.17.270.

Pursuant to RCW 48.17.475, please timely provide me with the following via email:

(1) The date you/Orion began charging Washington consumers fees using a form substantially like the one attached;
(2) A list of all Washington consumers from whom you collected fees in the past three years using a form substantially like the attached, showing the amount collected from each consumer, and the number of times/occasions each such consumer was charged such a fee;
(3) The total number of dollars in fees you/Orion collected from Washington consumers in the past three years using a form substantially like the attached;
(4) All forms and websites you reviewed prior to preparing and using the attached form;
(5) All communications evidencing any approval you sought, if any, from this office prior to using the attached form; and
(6) Identify all such insurance producers you know who also charge fees like the one at issue here, or use forms like the attached to charge such fees, specifically including insurance producers you said you know who are using forms like the attached and are charging fees like the one referenced in the attached. (Please include copies of such forms they use.)

In addition, as I mentioned, I would like to present to the agency any aggravating or mitigating circumstances regarding this matter. Thus, in addition to the above, I would also ask that you please also provide any mitigating circumstances this agency should be aware of, as well as any reasons why you believe the use of your attached form complies with the Insurance Code.

Thanks, and please feel free to contact me with any questions or requests to clarify any of the above.

Alan

OIC 4048 taylor 1193

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Monday, April 11, 2011 3:43 PM
To: Singer, Alan (OIC)
Cc: Durphy, Mark (OIC); Azevedo, Marianne (OIC)
Subject: Re: Orion Ins. Group Inc., file # 1043521, re: RCW 48.17.270

Alan,

Anderson & Black, Soundview, Specialty Auto, Parker Smith & Feek, Bob Wagner Insurance, Alaska USA, Balcos, Kibble & Prentice, Marsh USA, First Rate Insurance, Moloney ONeill, Rainwater, Northtown Insurance, McDonald Insurance Group, Rice Insurance, C Don Filer, Gurry & Rogers, Key Insurance Agency, Walt Lester Insurance , Seabury & Smith, Aon, PLC Insurance, Conover, Choice Insurance, Unity Group, Arthur Gallagher, Ireland Insurance Services, Eric Wagner Insurance, Bell Anderson, Heritage, Propel, Bratrud Middleton, Brown & Brown, Don Swanson, Humble & Davenport, Wells Fargo, Armfield Harrison & Thomas, American Insure All, Vern Fonk, Peoples, Alliance, American Choice, Insurance West, Brookey Insurance Services, Seguros Insurance, Shireff Insurance, BGI Agency Network, Drake Rush, Rogers & Norman, Baldwin Resource Group, Bellevue Insurance Group, Whitfields, Rich Haynie Insurance, Robinson Maurer, Otter Insurance, Sea Mountain, Seaview, Hub, Hall Conway Jackson, Anderson Insurance Agency, Burien General Insurance Agency, Snapp & Sons are some of the agencies that come to mind in regards to charging fees to the consumer. I could not think of any agencies that do not charge fees in the independent arena so I asked some of marketing representatives and the country's largest wholesalers if they knew of any agencies that charged fees and their response was collectively that everyone charges fees and that they did not know of anyone that does not charge fees. I would have to say the question should be do you know anyone that does not charge fees and the answer would be no.

I have been using the fee agreement since becoming a broker many years ago. When Ken Combs from the office came by to audit the office he only found that we did not have a receipt book with our name on it, so I had those printed. He did not mention that he saw anything wrong with our agreement at the time so I assumed everything was fine. You should have a copy in the audit file. I primarily used the State of CA's form as a reference to fashion Orion's agreement, CA provides their agents with the agreement they would like them to use as well as some others that I had seen. Ken went so far as to say that it was not the concern of the commissioner if a consumer paid a fee, that was their prerogative, just that they knew that they were being charged a fee. Every customer we have charged a fee has signed off on that they knew they were being charged a fee. They did not have to purchase insurance from us, they chose to purchase from us. When I go to the garage where I have my car worked on they tell me upfront that they charge me a fee to look at it and that the fee is earned regardless of if I use them. I choose to pay the fee, they do not have a gun to my head.

This brings us to the wisdom behind a fee. I have had company personnel tell me they do not want agencies charging fees because they lose control of the agency. That if their income is tied to the premium they will be in partnership with keeping the premium higher, needless to say I never picked up that company. The fee enables the agency to change the relationship from a one sided leveraged partnership to a more business relationship. Orion went into the Architects and Engineers industry around 5 years ago. We found at the time the clients to be paying anywhere from 50% to 300% over market. Whether this was due to collusion is something for you to determine. We started marketing the clientele and put a fee on the

OIC 4048 taylor 1190

clients versus the current agents who were relying on only commission for their income. We were able to quickly gain market share and have continued to gain market share. We forced change on the agent culture in this arena. The agents who sold in this arena had to react to our initiative. They begin remarketing their clients and instead of keeping premiums high, which they knew they could not because we would take them they changed their culture and started to work the carriers for lower premiums and they offset their income by fees. This product line is now more in line with what the insured's should be paying for their product versus what they would have been paying if we would not have come into the market. I would expect Orion to have the lion's share of this market in the next 5 years, due to attrition of the agents in the field. The next arena we went into was the lawyer malpractice and the same scenario has played out. I just recently hired a new staff to help go after this market due to them, in my opinion, paying too much for insurance pricing. We now have around two hundred law firms in the state insured.

We were asked by carriers to expand our geographical footprint for Architects because they felt that the surrounding states were being overpriced. We moved into the surrounding states and had the same scenario play out. We just recently moved into Alaska and have found that that state has seen the most hard pricing of all. We have seen 300% decreases in premiums including the fees we have charged. We wrote a client on Friday that asked that we do not give up on Alaska because "we know we are getting gouged".

We have saved our clients millions of dollars in insurance premiums and have saved clients who are not even with us probably tens of millions more by forcing change on the marketplace. Orion has been asked to go into the medical arena as well as municipalities due to the same issues that existed in the other industries. We have begun the medical foray. The thing to keep in mind is that when we give quotes it is the best pricing we can give, we work our carriers and they transfer that to the insured. We consistently have renewing carriers drop their premiums to match the carrier we present. That just says the product was being presented for the benefit of the carrier.

I would think that it will take three to five years for the agent culture in this state to change to the benefit of the consumer. It will take the understanding that they have control of the delivery of the product and can effect pricing and at the same time make a profit. Fees in the long run will help the consumer in WA state.

I have modified my fee agreement after talking to you. I talked to an attorney and they thought that it was fine but if you want changes to put some through and then have you tell me what you would want changed. He stated telling the client the percentage that I make was a reasonable effort to divulge the earning for the file. We don't really make any contingencies so I did not have that on there but I put it on for the code. If you could look at the new fee and give me the ok that would be great. I think the best thing the commissioner could do is put an agreement online that they want us to use, much like New York and California, and that would save everyone a lot of time.

Orion in regards to our clients being charged fees, Orion charges fees on all clients. They have a choice in regards to paying the fee and they choose to go with us. There will always be disgruntled customers, that is why you have had a complaint. I was served with a suit years ago by a client because I would not give them their monies back after having them insured for several years without a claim. The income we have derived from fees is in the tens of thousands of dollars.

OIC 4048 taylor 1191

Anderson and Black	NO DOCUMENTS
Anderson & Black	NO DOCUMENTS
Soundview	NO DOCUMENTS
Specialty Auto	NO DOCUMENTS
Parker Smith	NO DOCUMENTS
Bob Wagner	NO DOCUMENTS
Alaska USA	NO DOCUMENTS
Balcos Kibble	NO DOCUMENTS
Balcos, Kibble	NO DOCUMENTS
Marsh USA	NO DOCUMENTS
First Rate	NO DOCUMENTS
Moloney	NO DOCUMENTS
Northtown	NO DOCUMENTS
North Town	NO DOCUMENTS
McDonald	NO DOCUMENTS
Rice Insurance	NO DOCUMENTS
C Don Filer	NO DOCUMENTS
C. Don Filer	NO DOCUMENTS
Gurry	NO DOCUMENTS
Key Insurance	NO DOCUMENTS
Walt Lester	NO DOCUMENTS
Seabury	NO DOCUMENTS
Aon	NO DOCUMENTS
PLC Insurance	NO DOCUMENTS
Conover	1029497 PRODUCED- PART 3
Choice Insurance	1047848 PRODUCED- PART 1
Unity Group	NO DOCUMENTS
Arthur Gallagher	NO DOCUMENTS
Gallagher, Arthur	NO DOCUMENTS
Ireland Insurance Services	NO DOCUMENTS
Eric Wagner	NO DOCUMENTS
Wagner, Eric	NO DOCUMENTS
Bell Anderson	NO DOCUMENTS
Heritage	NO DOCUMENTS
Propel	NO DOCUMENTS
Bratrud	NO DOCUMENTS
Brown & Brown	NO DOCUMENTS
Don Swanson	NO DOCUMENTS
Swanson, Don	1032229 PRODUCED- PART 2
Humble	NO DOCUMENTS
Wells Fargo	NO DOCUMENTS
Armfield	NO DOCUMENTS
American Insure	1035104 PRODUCED- PART 2
Vern Fonk	1036157 PRODUCED- PART 3
	1039998 PRODUCED- PART 3
Peoples	1039785 PRODUCED- PART 3
	[redacted]

	[redacted]
Alliance	NO DOCUMENTS
American Choice	NO DOCUMENTS
Insurance West	1030856 PRODUCED- PART 2
	[redacted]
Brookey	1032211 PRODUCED- PART2
	[redacted]
Seguros	NO DOCUMENTS
Shireff	NO DOCUMENTS
BGI	NO DOCUMENTS
Drake Rush	NO DOCUMENTS
Rush, Drake	NO DOCUMENTS
Rogers	NO DOCUMENTS
Baldwin	NO DOCUMENTS
Bellevue	NO DOCUMENTS
Whitfields	NO DOCUMENTS
Rich Haynie	NO DOCUMENTS
Haynie, Rich	NO DOCUMENTS
Robinson Maurer	NO DOCUMENTS
Otter	NO DOCUMENTS
Sea Mountain	1029845 PRODUCED- PART 3
Seaview	NO DOCUMENTS
Hub	NO DOCUMENTS
Hall Conway	NO DOCUMENTS
Anderson Insurance	NO DOCUMENTS
Burien General	NO DOCUMENTS
Snapp	NO DOCUMENTS

Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Tuesday, July 12, 2011 2:20 PM
To: Singer, Alan (OIC)
Subject: Fw: Your Public Disclosure Request dated 5/31/2011

Alan,

If you look at page 165 part 2 you will see that a technical guidance was given by Marianne in regards to the fee agreement. She actually just modified the form and told them how to correct it. I would think that Orion having been audited with no issues already and never having had an issue I would have been given the same latitude in regards to a technical assistance. Insurance West had multiple violations by this time and they were still given a better outcome then myself. I would think that the enforcement has to be unarbitrary by the office. There were other instances where a fee was charged and there was no action. I will be sending out the request for change in rules today. I have not received all the information I have requested so I do not know how arbitrary this issue is in it's enforcement. Let me know what you think.

Ralph

-----Original Message-----
From: "Mark, Eric (OIC)" <EricM@OIC.WA.GOV>
Sent 7/12/2011 10:42:36 AM
To: rtaylor@orioninsgroup.com
Subject: FW: Your Public Disclosure Request dated 5/31/2011

Here's the first one.

From: Mark, Eric (OIC)
Sent: Wednesday, June 22, 2011 11:17 AM
To: 'rtaylor@orioninsgroup.com'
Subject: Your Public Disclosure Request dated 5/31/2011

Good morning Mr. Taylor.

Attached you will find the first installment of potentially responsive records to your request for "all

From: Sureau, Carol (OIC)
To: Singer, Alan (OIC)
Subject: RE: Your Public Disclosure Request dated 5/31/2011
Date: Tuesday, July 12, 2011 3:42:44 PM

No, but please send the information around to the producer enforcement group – unedited.

From: Singer, Alan (OIC)
Sent: Tuesday, July 12, 2011 3:41 PM
To: Sureau, Carol (OIC)
Subject: FW: Your Public Disclosure Request dated 5/31/2011

Hi Carol,

Given this, I would suggest we reconsider this matter. May I bring this to the PE group to decide?

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax
alans@oic.wa.gov

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Sent: Tuesday, July 12, 2011 2:20 PM
To: Singer, Alan (OIC)
Subject: Fw: Your Public Disclosure Request dated 5/31/2011

Alan,

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OIC 4048 taylor 1148

Durphy, Mark (OIC)

From: Singer, Alan (OIC)
Sent: Friday, April 01, 2011 11:17 AM
To: Durphy, Mark (OIC)
Cc: Baughman, Jeff (OIC); Talarico, Tom (OIC); Sureau, Carol (OIC); Hamje, John (OIC); Brown, Charles (OIC)
Subject: Licensees (1) Susan Conrad/Insurance West Inc (2) Alliance West Insurance Inc (3) Fast & Easy Insurance Agency and (4) Orion Insurance Group Inc – fee disclosures
Attachments: 3-27-10 Susan Conrad - Insurance West Inc fee disclosure form.pdf; 9-11-10 Alliance West Insurance Inc fee disclosure form.pdf; 9-29-10 Fast & Easy Insurance Agency fee disclosure form.pdf; 12-30-10 Orion Insurance Group Inc fee disclosure form.pdf

Hi Mark,

I am not sure if I sent these to you previously, but here are the four forms Tom Talarico obtained from licensee Kimberly Kelly dba Peoples Insurance Agency during an investigation into fees charged by Ms. Kelly and her agency. Ms. Kelly shared these to show that the form she used was created "by using the wording on The Insurance Commissioners [sic] website and by drawing from research on other agents/brokers [sic] forms."

I am forwarding these four forms to you to request that, assuming Carol approves (Carol's currently out, of course), that you please open four separate investigation files and investigate each of the four licensees listed for compliance with the fee disclosure requirements of RCW 48.17.270 and WAC 284-30-750 for all fees each may have charged Washington consumers since July 1, 2009.

As to RCW 48.17.270, please note that its current language took effect July 1, 2009. As to WAC 284-30-750, please note that between July 1, 2009 and January 21, 2011, WAC 284-30-750 provided that "[i]t shall be an unfair practice for any broker providing services in connection with the procurement of insurance to charge a fee in excess of the usual commission which would be paid to an agent without having advised the insured or prospective insured, in writing, in advance of the rendering of services, that there will be a charge and its amount or the basis on which such charge will be determined." WAC 284-30-750's current language, which took effect 1/22/11, can be seen here: http://apps.leg.wa.gov/wac/default.aspx?cite=284-30-750.

Tom and I can share our knowledge we have of the matter concerning Ms. Kelly if you like, please let us know.

Thanks,

Alan

Alan Michael Singer
Staff Attorney
Legal Affairs
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360-725-7046
360-586-0152 Fax

OIC 4048 taylor 3925

2

177 surveys went out – 89 to business entities and 88 to individual licensees

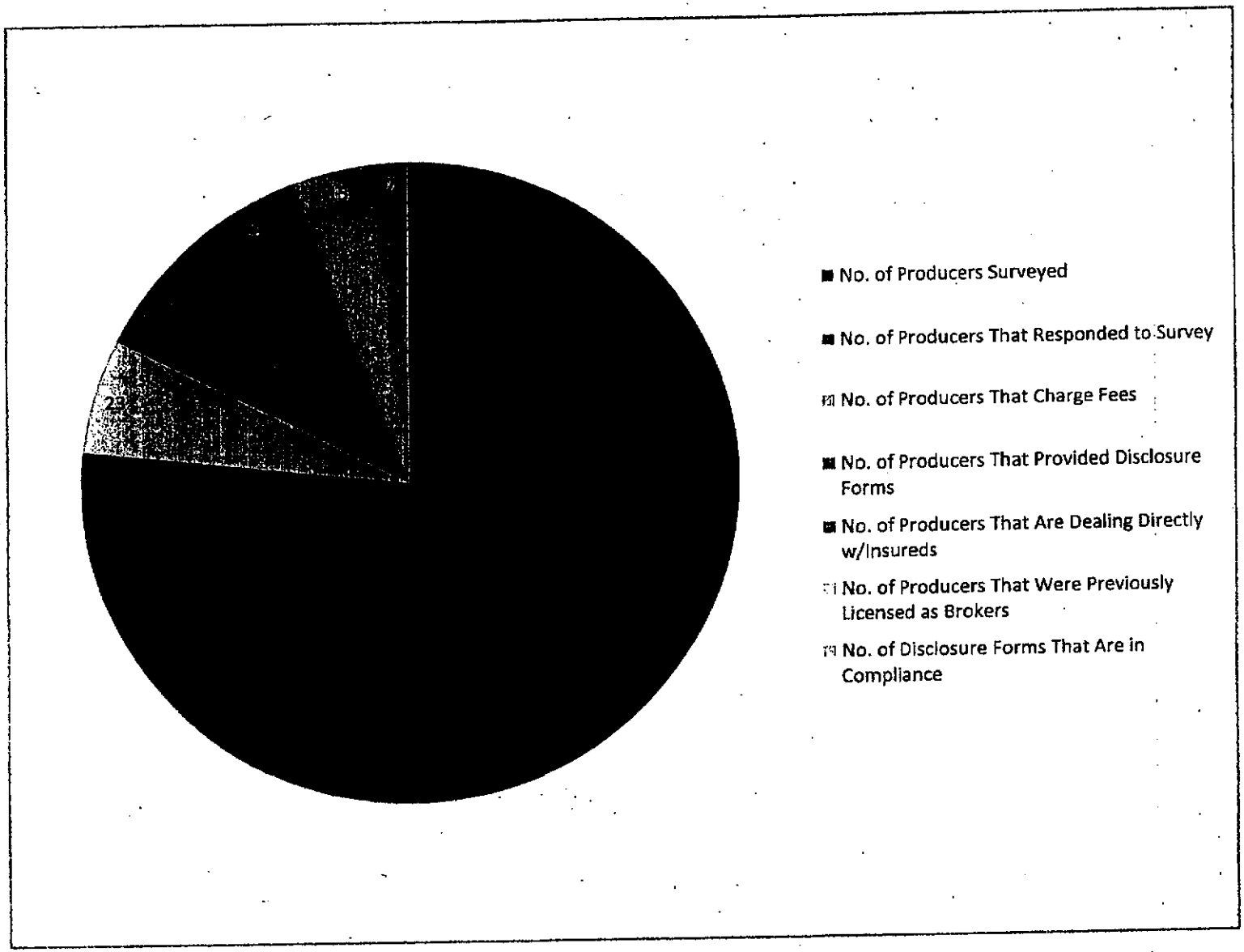
123 licensees (69.5%) responded to the survey – 75 business entities and 38 individual licensees

23 of the 123 (13%) charged fees

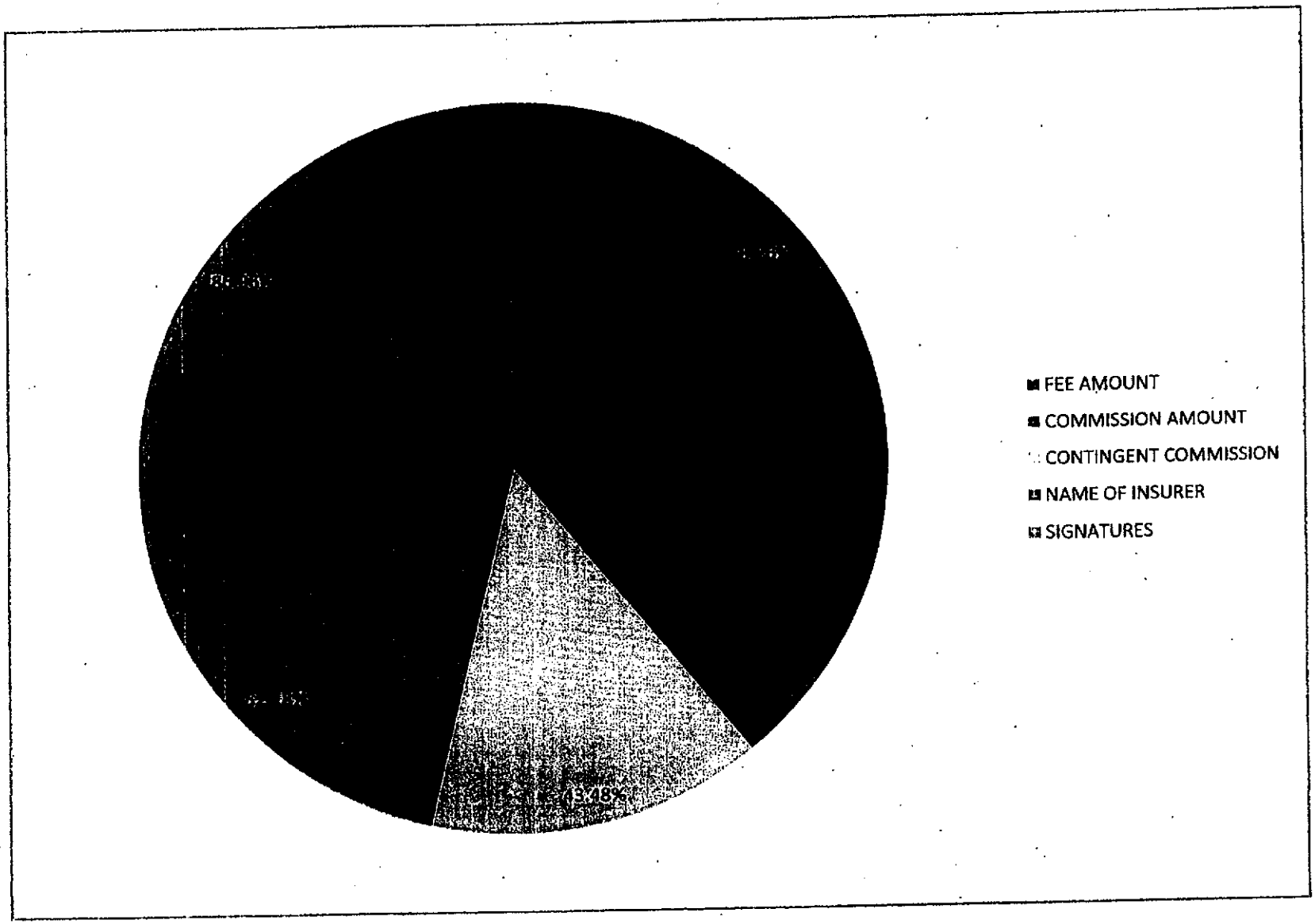
All 23 dealt directly with the insured and all 23 used some form of disclosure

15 of the 23 (65%) had been licensed as brokers (meaning they'd charges fees prior to producer status)

Only 7 of the 23 (30%) of the disclosure forms were in compliance (marked with a *)


No. of Producers Surveyed
No. of Producers That Responded to Survey
No. of Producers That Charge Fees
No. of Producers That Provided Disclosure Forms
No. of Producers That Are Dealing Directly w/Insureds
No. of Producers That Were Previously Licensed as Brokers
No. of Disclosure Forms That Are in Compliance

	FEE AMOUNT	COMMISSION AMOUNT	CONTINGENT COMMISSION	NAME OF INSURER	SIGNATURES
Fidelity Associates, Inc.	X		X		X
Gress Kinney Parrish Ins Cntr, Inc.	X			X	X
Michael L. McGregor	X				X
Moloney & O'Neill Life, Inc.					X
Douglas F. Parrish	X			X	X
Rogers & Norman, Inc.	X			X	X
Callis & Associates, Inc.		X		X	
Soundview Insurance Agcy Inc.	X				X
Sprague Israel Giles, Inc.	X				X
Propel Insurance (Bratrud Middleton)	X	X			X
Carney-Cargill, Inc.	X	X	X	X	X
David R. Taylor Ins Agency, Inc.	X		X		X
Orion Insurance Group, Inc.	X		X	X	X
Boyd Insurance Brokerage	X	X	X	X	X
Wheat & Associates Ins Inc.	X	X	X	X	X
VEBA Service Group LLC	X	X	X	X	X
Liberty Benefits Group LLC	X		X		X
Thrivent Insurance Agency, Inc.	THEY ONLY	CHARGE FEES	FOR FINANCIAL	PLANNING	SERVICES
Conover Insurance	X	X	X	X	X
Mitchell Reed & Associates, Inc.	X	X		X	X
Mercer Health & Benefits LLC					X
Franco Camarillo Ins Agcy					X
Cross Insurance Agency, Inc.	X	X	X	X	X


13.48%
FEE AMOUNT
COMMISSION AMOUNT
CONTINGENT COMMISSION
NAME OF INSURER
SIGNATURES

WAOIC No.	Fees Charged?	Disclosure Form	Compliant?	Dealing w/Insured?	Was Broker?
13065	Yes	Yes	No	Yes	Yes
15877	Yes	Yes	No	Yes	Yes
26456	Yes	Yes	No	Yes	No
27772	Yes	Yes	No	Yes	Yes
30627	Yes	Yes	No	Yes	Yes
33923	Yes	Yes	No	Yes	Yes
34741	Yes	Yes	No	Yes	Yes
37317	Yes	Yes	No	Yes	Yes
37481	Yes	Yes	No	Yes	Yes
5688	Yes	Yes	No	Yes	Yes
95148	Yes	Yes	Yes	Yes	No
96217	Yes	Yes	No	Yes	No
115305	Yes	Yes	No	Yes	Yes
127596	Yes	Yes	Yes	Yes	Yes
152205	Yes	Yes	Yes	Yes	Yes
185414	Yes	Yes	Yes	Yes	No
206800	Yes	Yes	No	Yes	No
212444	Yes	Yes	No	Yes	No
224454	Yes	Yes	Yes	Yes	Yes
127719	Yes	Yes	Yes?	Yes	No
240499	Yes	Yes	No	Yes	Yes
256121	Yes	Yes	No	Yes	No
267115	Yes	Yes	Yes	Yes	Yes

From: "Penn, Cheryl (OIC)" <CherylP@OIC.WA.GOV>
To: "Singer, Alan (OIC)" <AlanS@OIC.WA.GOV>
Sent: Thursday, November 10, 2011 10:03 AM
Attach: DisclosureSurvey.doc
Subject: Email and Blank Survey

ALAN – The survey was sent out via email. The email read as follows:

Subject: OIC Survey on Producer Fees and Disclosure Forms

The Office of the Insurance Commissioner (OIC) is currently conducting research into the practice of licensed producers who are charging fees to consumers and the disclosure forms which are being used. This research is in response to inquiries received by the OIC from consumers and licensees regarding compliance with fee and disclosure requirements set forth in RCW 48.17.270 and WAC 284-30-750. You as a licensed individual or your licensed agency have been selected to participate and are being asked to provide feedback by completing the attached survey. **Please complete and return (by email or fax) the survey, as required by RCW 48.17.475, by September 12, 2011 to** cherylp@oic.wa.gov.

Instructions for completing this survey:

1) Open the attachment
2) Review the questions and respond honestly and completely by selecting the checkbox that most closely identifies your answer or by providing your written response
3) When you have completed the survey, save your responses by selecting "save" or the computer disc icon in the upper left hand corner of this document
4) Close the document (the email should still be open) and select "save" again (this will save your responses on the attachment)
5) Select "forward" (do not use the "reply" button) from the upper left hand corner (this will assure your completed survey is sent)
6) Send your completed survey to the following email address: cherylp@oic.wa.gov.
7) You will need to include a copy of your disclosure form with your completed survey. This may be done by:
   a) Attaching an electronic version of your disclosure form to your completed survey, or
   b) Faxing a copy of your disclosure form (360-586-2019) to the attention of Cheryl Penn. If choosing to fax, please be certain to identify yourself or your agency and that this is in response to the fee/disclosure survey on the cover sheet.

Cheryl Penn, Compliance Analyst
Consumer Protection Division
Office of the Insurance Commissioner
State of Washington
Phone: 360-725-7153
Fax: 360-586-2019
cherylp@oic.wa.gov
www.insurance.wa.gov (Web Site)

Compliant

CARNEY CARGILL INC.

*

Washington Association of Health Underwriters
Licensed Producer Fee Disclosure Statement

A Document for the Exclusive Use of WAHU Members when Compensation Includes a Fee Paid by the Insured

All Rights Reserved

Carney Cargill, Inc. shares your concern for information and transparency. Accordingly, to provide you with the information that you deserve, and to comply with applicable laws arising under RCW 48.17.270 and regulations adopted by the Washington State Office of the Insurance Commissioner, this fee disclosure statement is provided to you prior to the sale of the insurance policy. When you do business with our office, we provide this information so that you can make informed decisions.

The following provisions explain our policy relating to the compensation that we receive.

COMPENSATION THAT WE RECEIVE:

In order to provide services that meet your needs, we charge a fee to you for the services that we provide. For each policy, our compensation comes from the following sources:

(a) The full amount of the fee that you, the insured, pays for our services is $_____.

(b) The full amount of any commission paid by the insurer(s) regarding this policy is $_____.

(c) We may offset some or all of the commission that we receive against the fee charged to you. If no offset is applied, we will note it here: _____.

If an offset is applied, here is a description of how that offset works:

_____

_____

(d) Sometimes insurance producers may receive additional commissions from an insurer. If no additional commissions are to be received regarding this policy, we will note it here: _____.

If additional commissions from the insurer regarding this policy may be received, we may receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other

awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated.

We will furnish you specific information relating to additional commission upon request.

(e) The name of the insurer(s) that may pay any commission to us regarding this policy is noted here: _____.

_____

Licensed Producer Signature Date
Carney Cargill, Inc.

_____

Customer Signature Date

C

*

Brokerage Compensation Disclosure

On July 1, 2009 the laws and rules governing our agency changed. We are required to notify you, the client of our compensation on your policies. Each insurance company pays us a commission to service your policy. That commission ranges from 10% to 30%, depending upon the type of policy and the level of service the Brokerage provides. All fees are disclosed at the time of the quotation for insurance and included in the quoted price. We also receive various forms of compensation from the companies through promotional contests. We may receive a bonus at the end of each fiscal cycle based upon our production and the losses incurred by our clients. The producer may receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards/bonuses. The agencies compensation did not determine the placement of business with any insurer.

Insurance Company _____

Policy# _____

Commission $ _____

Client Name _____

Broker Fee _____

Billing Fee	$10.00	Reinstatement Fee	$20.00
Credit Card Processing Fee	$20.00/ $1000	Late Payment Fee	$20.00

Signatures

_____

(Client)

DATE:_____

_____

(Producer)

DATE:_____

C

Broker Compensation Agreement

*

Date

Wheat and Associates Insurance
PO Box 3548
1306 N Post
Spokane WA 99220

Client Name:
Policy Number:
Policy Effective Date:
Policy Expiration Date:
Carrier:
Premium:
Commission:
Broker Fee:

Commissions

Our firm may be paid commission for selling and servicing your account. The amount if any is based on the standard commission schedules established by each of the companies with which we do business.

Additional Commissions and Incentive Compensation

Our firm may also be eligible for various forms of incentive compensation, including contingent commissions and other awards and bonuses, from the insurer. Incentive compensation is based upon a variety of factors that may include level of premium written, retention, growth, overall profitability, or other performance measures established by the insurer with which we do business. Any such compensation is factored into the overhead of the insurer and does not otherwise have any impact on the price you pay for insurance.

Fees Paid by Client

We may occasionally charge a fee for risk placement service or in lieu of our standard commission arrangements with our agency carriers. In such event, we

C

will provide a schedule of compensation for such policy (ies) documenting the fees for such policies.

Statement Concerning Representation

Our firm does business with a variety of competing insurance companies, we have submitted your application with multiple carriers, with the intent of obtaining multiple quotes, from among those insurers that we believe to be suitable, based on the preferences and needs you have communicated to us.

Additional Information

We are happy to provide you with additional details about our services, our relationship with your insurance company, or our compensation, at your request.

Conclusion

Thank you for trusting our firm with your insurance needs. We understand the vital role that insurance plays in providing you with financial security and peace of mind. We appreciate your business.

Accepted by:

Client Signature: _____

Date: _____

Broker: _____

Date:

C

Copperleaf Consultants, a division of VEBA Service Group, LLC

*

Licensed Producer Fee Disclosure Statement

for _____
(Employer Name)

Benefit Plan Year - _____
(Insert date)

Copperleaf Consultants, a division of VEBA Service Group, LLC desires to provide you with the information that you deserve, and to comply with applicable laws arising under RCW 48.17.270 and regulations adopted by the Washington State Office of the Insurance Commissioner. When you do business with our company, we provide this information to you so that you can make informed decisions. The following provisions explain our policy relating to the compensation we receive.

COMPENSATION WE RECEIVE

In order to provide services that meet your needs, we receive compensation for those services. For each policy, we may receive compensation from the following sources:

(a) A fee paid to us directly by you;
(b) Commission paid by the insurer(s); or
(c) We may offset some or all of the commission that we receive against any fee we charge to you.

Compensation to be paid:

Insurance Company / Service	Fee	Commission	Offset[1]	Additional Commission[2]	Biggest

(1) If an offset is applied, below is a description of how that offset works:

_____

_____

(2) Insurance producers may receive additional commission from an insurer. If no additional commission is to be received regarding this policy, we will note it here: _____. If additional commission from the insurer regarding this policy may be received, it may be in the form of future incentive compensation from the insurer, including contingent commission and other awards and bonuses based on factors. Those factors typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer. Incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated.

We will furnish you additional specific information relating to additional commission upon request.

Date: _____

_____
Licensed Producer Signature
Copperleaf Consultants, a division of
VEBA Service Group, LLC

_____
Customer Signature

2012

C

*

CONOVER INSURANCE

TRANSPORTATION DIVISION LLC
P.O. Box 10088 - Yakima. WA 98902
Phone (509) 965-2090
Toll Free (800) 551-2090
Fax (509) 966-3454

INVOICE

Customer Name

00059017
September 15, 2011

DESCRIPTION	POLICY PERIOD/EFFECTIVE	AMOUNT	COMPANY
Monoline	6/9/2011 /6/9/2014	$4,500.00	**Great West Casualty**
Agency Fee		$ 500.00	
Agency Commission		$ 0.00	
	TOTAL DUE:	**$5,000.00**	

NOTE: We have an agreement with **Great West Casualty Company** that we are proposing for your insurance that may pay us future additional compensation. This type of compensation is in addition to any fees and/or commissions that we have agreed to accept for servicing your insurance needs. This compensation, generally known as profit-sharing, is based on formulas that consider the volume of business placed with the company, the profitability of that business, how much of the business is retained for the company's account each year, and other factors. The agreement considers total eligible coverage from all clients placed during a calendar year and any profit-sharing payment is usually received in second calendar quarter of the following year. Because of variables in this program, we have no effective way at this time to determine the amount of any additional compensation that might be attributable to the coverage we are proposing for your insurance. Over the past several years we have not received profit-sharing compensation from **Great West Casualty Company**. We will gladly furnish you any further specific information that you might require to assist you in making an informed decision about **Great West Casualty Company** that we are proposing to provide your coverage.

Accepted: _____
Insured/Date

_____
Producer/Date

PLEASE NOTE: PAYMENT IS DUE UPON RECEIPT

PLEASE RETURN ONE COPY OF THIS INVOICE WITH YOUR REMITTANCE

1 of 2

CONOVER INSURANCE

TRANSPORTATION DIVISION LLC
P.O. Box 10088 - Yakima. WA 98902
Phone (509) 965-2090
Toll Free (800) 551-2090
Fax (509) 966-3454

INVOICE

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Agency Fee		$ 500.00	
Agency Commission		$ 0.00	
TOTAL DUE:		**$5,000.00**	

Due Date: Upon Receipt
PLEASE RETURN ONE COPY OF THIS INVOICE WITH YOUR REMITTANCE

NOTE: We have an agreement with Great West Casualty Company that we are proposing for your insurance that may pay us future additional compensation. This type of compensation is in addition to any fees and/or commissions that we have agreed to accept for servicing your insurance needs. This compensation, generally known as profit-sharing, is based on formulas that consider the volume of business placed with the company, the profitability of that business, how much of the business is retained for the company's account each year, and other factors. The agreement considers total eligible coverage from all clients placed during a calendar year and any profit-sharing payment is usually received in the second calendar quarter of the following year. Because of variables in this program, we have no effective way at this time to determine the amount of any additional compensation that might be attributable to the coverage we are proposing for your insurance. Over the past several years, profit-sharing compensation received from Great West Casualty Company has **ranged from X% to X% of total premiums** placed with Great West Casualty Company. We will gladly furnish you any further specific information that you might require to assist you in making an informed decision about Great West Casualty Company that we are proposing to provide your coverage.

Accepted: _____
Insured/Date

_____
Producer/Date

THANK YOU FOR YOUR BUSINESS!

2 of 2

Insurance Fee Agreement

Insured: _____

It is understood and agreed by _____(insured) that in consideration of Marketing, Underwriting and placing this insurance with _____the carrier,

Mitchell Reed & Associates, Inc. Shall earn a service fee in the amount of $_____

This fee is the ONLY compensation received by the agency.

This fee is NOT part of the premium and has been charged with my consent and agreement.

I understand that this is fully earned at inception.

Insured _____

Signature _____

Date _____

Cross Insurance Agency Inc
1206 Harrison Ave Centralia WA 98506
360-330-2088

rev 02/17/2011

Agency Compensation Disclosure Statement:

You are a highly valued customer, and our agency takes pride in the services we provide to you.

Our agency is not beholden to any one insurance company. As a result we are better able than agents who represent only one company to assist you in identifying and securing the combination of coverage, price, and service that meets your particular needs.

In most cases, our agency is paid a commission, which is fixed or based on a percentage of the premium that you pay for your policy. With your policy we may be paid the following commission, IF all payments are made in a timely manner and the policy is in force for the entire term the agency may then receive the listed commission amount of:

$0.00

This amount of commission is being paid to us, by the company that your policy is written with.
In addition, if the overall volume and loss experience of all the policies we write with a particular company warrants it, we may qualify for additional commission or other types of compensation, on a basis determined by the insurance company and paid by them. Any such compensation is factored into the overhead of the insurer and does not otherwise have any impact on the price you pay for

In addition to the policy fee we are charging you thirty fifty dollars, which has previously been disclosed to you, and to which you have given your consent, we also may receive compensation from the insurance company in the form of a sales commission or incentive compensation, both described generally above. Solely insurance companies, in the manner previously described, compensate us. However, we may charge you fees for other professional services (in-office payments, policy changes, etc.) that you ask us to perform, relating to and inclusive of this policy.

For additional information on the nature or amount of our compensation or our services, please inquire.

Our agency is grateful to have you as a client, and we welcome any suggestions you have to assist us in serving you better. We appreciate your business.

* Agency Fees are fully earned and non-refundable
* Commission & policy fee may vary

Client Signature and Date

Agent Signature and Date

NC

Fidelity Associates Broker Commissions and Fees Disclosure Form

Our compensation is customarily based upon a commission calculated as a percentage of the premium collected and paid to us by the insurer. There are times when we will charge a fee that is either in lieu of the commission or is in addition to the commission we receive from the insurer. The fee amount we have charged is $350.00, and is:

1) ___X___ In lieu of any commission from the insurer. This is our only source of compensation.

2) _____ In addition to the commission we will receive from the insurer.

We may also receive from insurers and insurance intermediaries additional compensation (monetary and non-monetary), which is contingent on volume, profitability or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries.

Such agreements may be in effect with one or more of the insurers with whom your insurance is placed or with the insurance intermediary we use to place your insurance. We will be pleased to discuss with you further details of any contingent compensation agreements pertinent to your placement upon your request.

Acceptance:

Insured:	Orchard Prairie District #123
Effective Date of Coverage:	09/01/11
Policy Type:	Package
Policy #:	USIP111235018

Insured Signature

DUANE REISENBACH, SUPT
Print name and title

8/10/11
Date

Broker Signature

Craig S. Jones, CPCU, AAI
Broker name

8/10/11
Date

Fee Disclosure Statement

_____ & Gress Kinney Parrish Insurance Center, Inc., hereby agree that in return for insurance placement and/or risk management services Gress Kinney Parrish Insurance Center, Inc., will be paid a broker's fee of _____ in addition to any commission received for services and/or insurance placement from insurers.

Commision received from Insurance Company:
Insurance Company:
General Agent:
Policy #
Effective Date:

Signed,

Gress Kinney Parrish Insurance Center, Inc.

Broker_____ Insured Signature_____

Date _____ Date_____

McGregor Insurance, Inc.

Business and Personal Insurance

Insurance Producer Fee Agreement

Insured: _____

It is understood and agreed by the insured, that in consideration of McGregor Insurance's efforts and assistance in marketing, underwriting, placing, and servicing their insurance policies, McGregor Insurance shall earn a Producer Fee in the amount of $____. This fee may, or may not, be in addition to a commission paid by the insurer.

The Producer Fee is not part of the premium and has been charged with my understanding, consent and agreement. The fee is for services rendered during the full term of the policy and is part of any annual installment. This fee is fully earned at inception.

_____
Printed name of Client

_____
Signature of Client

_____
Title

September 14, 2011
Date

PO BOX 429, 849 POINT BROWN AVE NW, Ste 5 OCEAN SHORES, WASHINGTON 98569 • TEL 360/289-2808 • theteam@mcgregorins.com

Client Service Agreement

Moloney Oneill (M+O) agrees to provide the following services to the ABC Company beginning 8/1/08. For these services, M+O will be compensated as follows:

Medical:	$ 3.28 PEPM
Dental:	$ .25 PEPM
Life/Disability:	Graded Commission Scale averaging 6.5% of premium

M+O will start receiving compensation for the medical, life, and disability plans beginning 9/1/08. Compensation for the dental plan will begin on 2/1/09 to coincide with the renewal. M+O guarantees these fees until 2/1/11, at which time compensation may change provided both M+O and ABC Company agree to terms.

Transparency:

M+O will provide an annual report every December which will disclose ALL compensation received from vendors including contingencies.

Scope of Services:

Reporting:

- M+O will provide a claims experience report on a monthly basis. This report will compare premiums collected to expenses paid.
- M+O will provide a large claim report on a monthly basis. This report will show claims that have exceeded $25,000 for the calendar year, prognosis and diagnosis by individual.
- M+O will provide our "Profile" reporting package that identifies claim trends by individual. There are a number of customized reports that can be generated from this tool.
- M+O will provide "Diamond Reports" (Utilization) on a semi-annual basis. This report compares claim utilization trends by category (i.e. inpatient, outpatient, prescription drugs, etc.) and benchmarks Cowles against other large employers.
- M+O will provide our "Quadrant Report" benchmarking tool on an annual basis.
- M+O will provide a prescription drug report that outlines the top 25 utilized prescriptions, claims by therapeutic class, brand v. generic utilization and opportunities for savings (i.e. step therapy programs)

- M+O will prepare an IBNR claims report estimating the liability for terminal claims.
- M+O will provide a benchmark study on an annual basis. This report compares Cowles benefit plan design and contribution levels to other companies. The report will contain local, regional and national data.
- M+O will provide reports outlining how much individuals spend in increments of $500 and benchmark those figures compared to expected national spending levels.
- M+O will generate independent renewal calculations.
- M+O will conduct a provider discount analysis and issue a report outlining which network has the best access and discounts by region.
- M+O will provide access to our "Scenario Builder" tool that will enable ABC Company to determine the impact to claims when benefit plan design changes are made to the plan.

Account Management

- M+O will provide access to an Account Manager/Claims Liaison to assist and resolve claim problems.
- M+O will interpret contract provisions.
- M+O will act as a liaison between ABC Company and all insurance vendors.

Renewal Negotiation:

- M+O and ABC Company will jointly establish a renewal timeline that meets Cowles benefit objectives.
- M+O will review each renewal and negotiate with carriers. A report will be generated identifying areas M+O negotiated and the impact to the renewal.

2C

Marketing:

- When appropriate, M+O will prepare a Request for Proposal (RFP) for quote solicitation. All RFP's will contain timelines to ensure key action items are completed in a timely manner.

- M+O will prepare a Vendor Scorecard to help determine which vendor best meets Cowles needs. The scorecard will evaluate and rank the services provided by the insurance carriers.

- M+O will generate a spreadsheet outlining the insurance vendors available. The analysis will outline carriers benefit levels, premiums, administration fees, reinsurance fees, and the methodology each carrier uses to determine rates (i.e. credibility factors, trends, margins, etc.)

- M+O will facilitate interviews with carriers.

Communication:

- M+O will develop open enrollment packets.

- M+O will conduct educational meetings with employees on an as needed basis.

- M+O will conduct open enrollment meetings.

- M+O will provide access to our benefit website.

Contract Review:

- M+O will review the medical, dental, life and disability contracts for accuracy. A report will be generated with recommended changes (if any) to contracts and Summary Plan Descriptions.

Legislative / Legal:

- M+O has a joint partnership with the attorney firm Fisher & Phillips. Utilizing this resource, M+O will provide legal guidance as it pertains to ABC Companies health & welfare plan on an as needed basis. It should be noted that M+O cannot give legal advice or opinions.

- M+O will provide legislative updates as necessary.

WC

Surveys

- If necessary, M+O will develop a survey that helps determine what benefits employees value, and their willingness to change benefit plan design and carrier. M+O will tabulate the surveys and provide a report summarizing the results.

Strategic Planning

- M+O will meet with key decision makers on a regular basis to develop a benefit strategy that meets the companies benefit objectives.

This agreement is entered into on this _____ day of _____, 2008 between Moloney Oneill and ABC Company. Either party may terminate this agreement provided notice is given 30 days prior to the termination date.

Agreed to by:

ABC Company

_____
(Print Name & Title)

_____
(Signature)

_____
(Date)

Moloney + O'Neill

_____
(Print Name & Title)

_____
(Signature)

_____
(Date)

4084

DC DOUGLAS F. PARRISH

Fee Disclosure Statement

_____ & Gress Kinney Parrish Insurance Center, Inc., hereby agree that in return for insurance placement and/or risk management services Gress Kinney Parrish Insurance Center, Inc., will be paid a broker's fee of _____ in addition to any commission received for services and/or insurance placement from insurers.

Commision received from Insurance Company:
Insurance Company:
General Agent:
Policy #
Effective Date:

Signed,

Gress Kinney Parrish Insurance Center, Inc.

Broker_____ Insured Signature_____

Date _____ Date_____

ROGERS & NORMAN INC.

ROGERS & NORMAN, INC.
1501 Fourth Ave., Suite 2400
Seattle, WA 98101
Phone : 206-443-2600 Fax : 206-441-6752

INVOICE# 27096

Page 1

ACCOUNT NO.	OR	DATE
ZTEST-1	SD	08/17/11

Errors & Omissions

POLICY
JOHN TESTPOL

COMPANY
Colony Insurance Co.

PRODUCER
James G. Rogers, CPCU, CIC

EFFECTIVE	EXPIRATION	BALANCE DUE ON
09/02/10	09/02/11	09/02/11

Test Client Smith
124 5th Ave
Seattle, WA 98121

Item #	Eff Date	Trn	Description		Amount
107490	09/02/10	REN	11-12 E&OM Renewal	$	5,000.00
107491	09/02/10	AFE	R&N Agency Fee	$	250.00
107492	09/02/10	CFE	Taxes & Fees	$	125.00
			Invoice Balance:	**$**	**5,375.00**

Please sign below to accept the terms of this transaction & to confirm your desire to have coverage bound. Thank you.

TEST Client Name Here: _____ Date: _____

Sharon Deuman; Broker: _____ Date: _____

The total compensation Rogers & Norman, Inc. will receive is: $750.00

Please make checks payable to Rogers & Norman, Inc.

CALLIS & ASSOCIATES INC

January 12, 2011

Dr. Randy Tierney
556 Eureka Way
Sequim, WA 98382-5074

Re: **Regence Blue Shield Renewal, Group No. 60023058**

Dear Randy:

Regence has recently notified us that due to requirements of the healthcare legislation passed last year, they have eliminated agency compensation on groups of 1 to 2 employees and a minimum commission on groups of 3 to 4. In the current economic environment, our agency cannot afford to handle health insurance for free.

Benefits of an Agent – As your agent we annually put your group out to bid with other carriers and help you with selecting a company option that fits your needs as well as your budget. We also answer questions on coverage, assist with claims that have become a problem, process employee changes, additions and deletions and assist with appeal letters.

Here are three options for you to consider:

1) **Callis & Associates will bill you 3% of the total premium, payable on your choice of a quarterly or annual basis.**

2) **You allow Callis & Associates to quote and write your current business insurance and personal home and auto coverages. In this case, our fee would decrease to a minimal 1% on your health insurance.**

3) **Your account is transferred to Regence directly and you no longer have local representation on your health insurance policy(s).**

Your Regence plan has a renewal date of February 1st, 2011. If you maintain your current plan of benefits, Regence has requested a 15% increase in your rates. On the enclosed spreadsheet we've shown your current and renewal rates as well as alternatives which include an increased deductible, increased copay, and reduced coinsurance.

Please Note: New employees and dependents should be enrolled within 30 days of their initial eligibility. Coverage will be effective the first of the month following approval and completion of the probationary period. Employees/dependents who do not enroll within 30 days of their initial eligibility will not be eligible for coverage until the group's open enrollment period (i.e., the next renewal date). Your group's open enrollment period is currently during the month of January, for a February 1st effective date.

Randy, Regence will no longer require a signed renewal application if you elect to renew your current plan 'as is'. However, if you elect to make a change in benefits, a new application will be required. Once you've made a decision on how you'd like to renew and if you'd like to keep Callis & Associates as your agent of record, let us know so we can prepare the necessary paperwork.

Best personal regards,

CALLIS & ASSOCIATES, INC.

Stephen L. Callis
SLC:lapj
Enclosure

February 15, 2011

E Randy Tierney DMD PLLC
556 Eureka Way
Sequim, WA 98382-5074

Re: Regence Blue Shield Benefits Policy, No. 60023058

Dear Randy:

In accordance with our agreement regarding agency compensation, I am enclosing a statement for our quarterly fee of 3% of premium on your group plan.

Please give Julie or me a call if you have any questions on this bill.

Best personal regards,

CALLIS & ASSOCIATES, INC.

Stephen L. Callis
SLC:jap]
Enclosure

2 of 2

Soundview Insurance Agency Inc
18927 33rd Ave W. Suite C
Lynnwood, WA 98036-4726
Phone : 800-803-7000 Fax : 425-712-1058

INVOICE# 11553		Page 1
ACCOUNT NO. ROBIN-2	OP PA	DATE 09/12/11
POLICY INFORMATION		
AMOUNT PAID		AMOUNT DUE $ 125.00

*** PLEASE RETURN TOP PORTION WITH REMITTANCE.***

Itm #	Eff Date	Trn	Type	Description		Amount
INVOICE #	11553					
137392	09/12/11	NEW	BOND	Sheriff Indm BD #601011523	$	100.00
137393	09/12/11	AFE	BOND	Agency fee	$	25.00
				Invoice Balance:	$	**125.00**

Sheriff Indemnity Bond #601011523 - Federal Natl Mtg Assoc
aka Fannie Mae vs Joel W Boruck & Kimberly Boruck etal

SPRAGUE ISRAEL GILES

2c

FEE DISCLOSURE AGREEMENT

To Whom It May Concern:

XXXX and Sprague Israel Giles Inc. hereby agree that in return for acting as the broker for the placement of the captioned policy with the following fees and commission apply. The following fees and commission have been included in the total premium of [$amount].

Sprague Israel Giles Inc. Service Fee _____

Sprague Israel Giles Inc. Commission %

Sprague Israel Giles Inc.

By: Sean P. Corry

Title: President

Date: 8/26/2011

By: _____

Title: _____

Date: _____

As required by state law, please sign and return this letter prior to .

We are unable to proceed with coverage without your signed acknowledgement.

CONSULTING SERVICE AGREEMENT

1. Parties

The parties to this Agreement are:

(a) _____ (Employer) and

(b) Propel Insurance, (Consultant), a Washington Corporation.

2. Purpose of Consulting Agreement

The Employer has retained Consultant to provide Health & Welfare consulting services. This Agreement sets out the services to be provided, the fees to be charged for the services and other terms and conditions applicable to the provision of consulting services.

3. Nature of Relationship

The parties acknowledge that Consultant is an independent contractor. Consultant has no responsibility for the funding of the plan, has no control over plan assets and otherwise has no discretionary authority over the operation of the plan.

4. Services to be Performed and Fees

Consultant will provide the services outlined in Schedule A. These services will be provided for the monthly fee set forth in Schedule B.

Services not listed in Schedule A or which are not reasonably related to those listed will be provided on a special project basis. Consultant will identify in advance what services it considers to be special projects and to provide a good-faith estimate of the cost involved and will receive Employer approval prior to undertaking special projects.

5. Errors and Omission Insurance

Consultant agrees that it shall maintain an errors and omission policy of at least $2,000,000 during the course of this Agreement. Consultant will notify Employer if the errors and omission coverage is terminated or materially modified.

6. Non-Assignment

Consultant will not assign this agreement to any other person or entity without the prior written consent of the Employer. Assignment will not change any of the other portions of this Agreement such as the "Term and Termination" provisions.

WC

7. Dispute Resolution, Venue and Governing Law

Any dispute between the parties shall be resolved using the commercial arbitration rules of the American Arbitration Association. Venue for any arbitration shall be the city where the Employer's principal administration office is located. This Agreement shall be governed by the law of the state of _____, where the Employer's principal administrative office is located.

8. Term and Termination

This Agreement is effective _____ and shall continue on a month-to-month basis thereafter. The Agreement may be terminated or modified by either party on the first of the month following the month in which written notice is given. For Consultant, notice shall be provided to its office address. For Employer, notice shall be provided to its principal administrative office.

9. Integration Clause

This represents the entire agreement of the parties. Any modification shall be in writing and signed by both parties.

PROPEL INSURANCE		CLIENT	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

2035

NC

CONSULTING SERVICE AGREEMENT

SCHEDULE A

SERVICES TO BE PROVIDED

1. Regular financial reporting to the Employer on the status of the plan.

2. Ongoing review of the benefit structure to ensure cost effective plan design as well as assistance in implementation of plan changes and revisions.

3. Advice and assistance in the implementation of cost containment activities established within the plan, and evaluation of the success of these efforts with particular analysis of:

   a) Discount networks,
   b) Utilization Review of vendors,
   c) Plan modifications,
   d) Plan Design,
   e) Direct contracting,
   f) Wellness programs.

4. Renewal actions with any carriers including, but not limited to:

   a) Renewal projections beginning four (4) months prior to renewal date,
   b) Pre-renewal meetings,
   c) Actual renewal negotiations with carriers.

5. Contractual review, booklet reviews and advice on legal compliance.

6. Guidance and updates on Health Reform and assistance in ERISA compliance.

7. Serve as coordinator regarding all issues with insurance carriers or other vendors.

8. General consulting and technical services over a period of time as they become necessary. This would include such items as re-marketing of various services, assistance in vendor selection, or other requests which may be deemed reasonable and related to parts of this agreement, but may not be detailed.

9. Direct and review the following of any insurance company activities:

   a) Preparation of bid specifications and provide analysis and recommendations,
   b) Review and analysis of the insurance contracts and amendments prior to Employer's signatures,
   c) Establish claims experience reporting system,
   d) Carrier accounting procedures, to include retention and establishment of reserves,
   e) Negotiate benefit rates for in-force plans and modifications, as required,
   f) Assist in resolving claim problems.

10. Provide advice regarding participant enrollment processing, including eligibility rules.

11. Provide direct employee benefit communication meetings for participants.

12. Prepare and/or review for Employer's approval items used for communication to participants.

13. Reports requested by the Employer on an ongoing basis.

NC

CONSULTING SERVICE AGREEMENT

SCHEDULE B

Effective _____, Employer shall pay Consultant $_____ per month to perform the services provided in this Agreement. No additional commissions, marketing fees, production bonuses or other compensation will be paid by any third party unless mutually agreed to by both parties.

JC

David R Taylor Insurance Agency Inc

Important Disclosures

Named Insured:
Quote Number of Policy Number:
Effective Date of Policy:

COVERAGE OUTLINE:
This proposal is an outline of the coverage proposed by the insurers. It does not include all of the terms, coverage, exclusions, limitations or conditions of the actual contract language. The policies themselves must be read for those details.

ADDITIONAL INSURANCE PROFESSIONALS:
In addition to fees and/or commissions earned by the David R Taylor Insurance Agency and/or Taylor Agency, Inc. it is understood and agreed that other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers and similar parties may earn and retain usual and customary commissions or/or fees in the course of providing insurance products. Any such fees and/or commissions will be fully earned and the responsibility of the client.

PROMOTIONS, CONTESTS, ETC.
The David R Taylor Insurance Agency and/or Taylor Agency, Inc. from time to time enters into arrangements with insurance carriers or those insurance carriers providing for compensation, in addition to commissions, to be paid by such carriers or reinsurers to the David R Taylor Insurance Agency and/or Taylor Agency, Inc. This compensation is based upon, among other things, the volume of premium and/or underwriting profitability of the insurance coverage place by the David R Taylor Insurance Agency and/or Taylor Agency, Inc. with these carriers or reinsurers. The insurance coverage you purchase through the David R Taylor Insurance Agency and/or Taylor Agency, Inc. might be issued by and insurance carrier or reinsured by a reinsurer that has such a relationship with the David R Taylor Insurance Agency and/or Taylor Agency, Inc.

Agency Broker Fee Amount:
Commission Percentage:

Signature of Customer Date

Signature of Producer Date

NC

INSURED'S ACKNOWLEDGEMENT OF SERVICE FEE

The following annual fee is being made by agreement with the insured. The fee is for services involving one or more of the following: placing insurance coverage, processing of insurance policies, handling of claims as necessary, and other insurance related services as required.

The undersigned insured understands that such fee is not part of the premium charged by the company and can only be made with written consent of the insured. This fee is fully earned and is in addition to any compensation received from the insurance company.

SERVICE FEE: $150.00 payable to Alaska USA Insurance Brokers

COVERAGE:

BUSINESS NAME:

ADDRESS:

[redacted]

ACCEPTED BY: _____

DATE: _____

2012

LIBERTY BENEFITS GROUP

LBG Advisors
A BenefitsPartners member

Date: _____

To: Proposed Insured

Disclosure of Fees:

As part of compliance with State laws we are providing this notice of our fee disclosure.

Liberty Benefits Group (dba LBG Advisors) will charge a fee of _____ _____. This fee includes (all related) brokerage services and will be assessed directly to you as the client for the following lines of business (Check boxes that apply):

	Medical		Group Term Life / AD&D
	Stop Loss		Long Term Disability
	Dental		Short Term Disability
	Vision		Voluntary Benefits

Per state regulation RCW 48.17.270 we are asked to include this disclosure:

Liberty Benefits Group May receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated.

Liberty benefits Group donates (any) received incentive compensation resulting from the lines listed above to charities.

Please review this notice, sign, and return it to us prior the start of our business relationship.

Ron Kirkpatrick

President

LBG Advisors

Date:_____

Name:_____

Signature: _____

Title:_____

Company Name _____

Date:_____

LBG Advisors
23632 Hwy 99 STE F PMB 368
Edmonds WA 98026
www.lbgadvisors.com
877-485-2120

THRIVENT INS AGENCY

Thrivent Investment Management

Appleton, Wisconsin • Minneapolis, Minnesota
Thrivent.com • 800-THRIVENT (800-847-4836)

Thrivent Financial Planning Services - Schedule Page

☐ New
☐ Amend
Contract number - _____

This Schedule Page ("Schedule Page") is incorporated by reference and is part of the Agreement(s) between each of the client(s) named below and Thrivent Investment Management Inc. If any of the terms of this Schedule Page conflict with those of your Agreement, as that document may be amended from time to time, this Schedule Page will supersede those documents.

Section 1 - Registration of Account

☐ Individual ☐ Married ☐ Dual

Section 2 - Client Information

Name of primary client ☐ New client		Thrivent ID
Country of citizenship ☐ USA ☐ Other - _____	Social Security number	Date of birth
Name of joint client ☐ New client		Thrivent ID
Country of citizenship ☐ USA ☐ Other - _____	Social Security number	Date of birth

Section 3 - Financial Planning Topics

Check all that apply:

☐ Retirement accumulation
☐ Retirement distribution
☐ Investment planning*
☐ Income tax planning
☐ Accumulation future purchase
☐ Accumulation education
☐ Estate planning

*If 50% or more of the client's investable assets are currently in Thrivent Investment Advisory accounts, then investment planning cannot be the only financial planning topic selected.

Advanced Financial Planning Topics

Check all that apply:

☐ Advanced estate analysis
☐ Business valuation and continuation analysis
☐ Stock option analysis
☐ Special needs analysis

Section 4 - Thrivent Investment Management Inc. Fee Schedule

1. Case complexity: ☐ Basic $300 - $1,200 ☐ Moderate $800 - $2,500 ☐ Advanced $1,500 - $10,000

Personal financial planning fee $ _____

2. Advanced financial planning services (if applicable):

☐ Advanced estate analysis ($3,000 - $7,500) $ _____
☐ Business valuation and continuation analysis ($3,000 - $7,500) $ _____
☐ Stock option analysis ($1,500 - $3,500) $ _____
☐ Special needs analysis ($500) $ _____

3. Total financial planning fee $ _____
4. Less initial payment (must be half of financial planning fee) (-) $ _____
5. Total remaining amount due $ _____

1 of 3

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Section 5 - Fee Limit Check

Complete **only** for clients with Thrivent Investment Advisory accounts
(i.e. Advisor, SELECT, SMA/UMA, Advantage)

1. Client total assets (not including residential real estate and personal property)		$ _____
2. Client total value in Thrivent Investment Advisory accounts	(-)	$ _____
3. Line 1 minus line 2		$ _____
4. Line 3 multiplied by .02		$ _____
5. Client total gross annual income		$ _____
6. Line 5 multiplied by .02		$ _____

Client fee cannot exceed the greater of line 4 **or** line 6.

The financial planning fee is based on a number of factors specific to a client's personal financial circumstances. The financial planning fee will vary among clients and is subject to change based on changes in their personal financial situation. Factors that will be considered in determining a client's financial planning fee amount include, but are not limited to: (i) the scope of the services to be received; (ii) the complexity of the client's financial situation and related analysis; (iii) the experience level and credentials of the financial advisor; (iv) client's current fee for existing Thrivent Investment Advisory accounts or services; (v) advanced financial planning needs; and (vi) other applicable factors. See Section 4 of the Agreement and Financial Planning Disclosure Brochure for further important information regarding fees, including standard account and transactional fees on products and services offered by Thrivent Financial.

Section 6 - Substitute W-9 Certification

Important notice: Internal Revenue Service (IRS) requires that a W-9 be completed within 30 days of the opening of any new account. If an account does not have a W-9, 28% of any reportable payments received will be withheld from your account and sent to the IRS. To receive credit for any withheld amount, consult your tax preparer.

Certification: Under penalties of perjury, I certify by signing below that:

1. The Social Security number shown in Section 2 is correct **(or I am waiting for a number to be issued to me),** and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) The IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person **(including a U.S. resident alien).**

Certification instructions: You must cross out item (2) if you have been notified by the IRS that you are currently subject to backup withholding because of under-reporting interest or dividends on your tax return.

Section 7 - Acknowledgement and Signature of Client(s)

Important information about procedures for opening a new account: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

By signing this Agreement, you acknowledge:

- The Agreement including the Schedule Page represents the entire Agreement for financial planning between you and Thrivent Financial for Lutherans.
- You have read, understood, and agreed with all terms and conditions set forth in this Agreement.
- **You understand this Agreement contains and is governed by a pre-dispute arbitration clause in Section 12 of the Agreement and you agree to arbitrate any controversies that may arise under this Agreement.**
- **You have received and had an opportunity to read the Financial Planning Disclosure Brochure or Form ADV Part II, as required by Rule 204-3 under the Advisers Act, on date _____, 20 ____.**

Note: The IRS does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

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Signature of primary client		Date
Signature of joint client		Date
Name of primary advisor (print)	F0 ID	Compensation percentage
Signature of primary advisor		Date
Name of joint work advisor (if applicable) (print)	F0 ID	Compensation percentage
Signature of joint work advisor		Date

Note: Retain a copy of the executed Agreement including Schedule Page in client file and give a copy to the client.

Forward signed original to:

Service Agreement Processing
Thrivent Investment Management Inc.
4321 N. Ballard Road
Appleton, WI 54919-3400

MERCER HEALTH &
BENEFITS LLC

DC

US Engagement Letter - Standard [illegible]

Subject: Engagement Letter Agreement

We are delighted to have the opportunity to [continue to] work with [insert name of Client company] ("you" or "Client"). The purpose of this letter of engagement ("Agreement") is to set forth the terms governing any services that have been or will be provided to you ("Services") by Mercer's operating companies, Mercer (US) Inc., Mercer Investment Consulting, Inc. and/or Mercer Health & Benefits LLC (in each case, solely with respect to Services the particular entity had provided or will provide to you ("Mercer" or "we"). Mercer and the Client may also be referred to collectively as the "Parties".

Statements of Work

Each statement of work ("SOW") must specify at a minimum: (1) our respective responsibilities with respect to any Services; (2) the information and data we will need in order to perform the Services; (3) any time constraints on the performance of the Services; and (4) the compensation we will receive for performing the Services. To the extent you have accepted any SOWs at any time prior to the execution of this Agreement, such SOWs shall be subject to the terms of this Agreement. For purposes of this Agreement, the term "Agreement" shall include any SOWs.

Terms and Conditions Governing Engagement

Our performance of the Services (whether provided pursuant to a written SOW or not) are subject to the following terms:

1. **Payment Terms:**
   A. We perform Services in consideration of your payment of our compensation. Our compensation for Services, such as professional fees, commissions or other amounts payable to us ("Compensation") is set forth in the applicable SOW or as otherwise agreed. In addition to our Compensation, we also bill monthly for our reasonable expenses. You are responsible for any sales, value added taxes or similar taxes related to the performance or receipt of the Services, including those taxes assessed by authorities subsequent to payment for the Services.
   B. Invoices are due and payable within thirty (30) days of the date of the invoice. If any invoice is not timely paid, we may exercise our right to claim interest for late payment as permitted by applicable law. If any invoice remains unpaid for longer than ninety (90) days from the date of the invoice, we may either suspend the provision of the Services until payment is received, or terminate this Agreement and/or any SOW with immediate effect.
   C. If we become involved (whether or not as a party) in a dispute (including audits or investigations) between you and a third party (including a governmental entity), or if we are asked to preserve records relating to the Services or this Agreement, including where Mercer is requested to preserve documents, electronically stored

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information, back-up tapes or other media beyond its standard recycling or retention protocol, beyond the scope of Services described in the applicable SOW, these additional services will be documented in a SOW. If no SOW or other agreement is reached on these additional services, you agree to pay us at our then current standard rates for all our time spent, and will reimburse us for all reasonable expenses incurred by us, in connection with such dispute or such documentation preservation request. We will reimburse such payments in the event and to the extent such dispute is finally determined by a court to have resulted primarily from our negligence, conduct in bad faith or fraud.

2. **Instructions; Provision of Information and Assistance:**
You will provide all necessary and reasonably requested information, direction and cooperation to enable us to provide the Services, and any direction (whether verbal or written) shall be effective if contained expressly in the applicable SOW or if received (whether verbally or in writing) from a person known to us or reasonably believed by us to be authorized to act on your behalf. You agree that we shall use all information and data supplied by you or on your behalf without independently verifying the accuracy, completeness or timeliness of it. We will not be responsible for any delays or liability arising from missing, delayed, incomplete, inaccurate or outdated information and data, or if you do not provide adequate access to your employees, agents or other representatives necessary for us to perform the Services. We will be entitled to charge you in respect of any additional work carried out as a result.

3. **Confidential Information; Data:**
   A. Each of us is likely to disclose information ("Disclosing Party") to the other ("Receiving Party") from time to time in the course of the provision of the Services, which is marked or designated as confidential or proprietary at or prior to disclosure or which would appear to a reasonably prudent person to be confidential and/or proprietary in nature ("Confidential Information"). The Receiving Party will not disclose such Confidential Information to any person other than in connection with the provision of the Services or as otherwise provided for in this Agreement. This restriction does not apply to information that (i) the Receiving Party must disclose by law or legal process, (ii) is either already in the public domain or enters the public domain through no fault of the Receiving Party, (iii) is available to the Receiving Party from a third party who, to the Receiving Party's knowledge, is not under any non-disclosure obligation to the Disclosing Party, or (iv) is independently developed by or for the Receiving Party without reference to any Confidential Information of the Disclosing Party.
   B. Notwithstanding Section 3(A), you agree that we will be entitled to disclose information, including Confidential Information, relating to the Services or you to regulators having jurisdiction over our business. You also agree that, notwithstanding any other provision in this Agreement, we may include the identities of those persons who are identified by you as contact persons for you and information about the terms of this Agreement, the Services and the Compensation in our internal client management, financial and conflict checking databases.

C. You hereby grant us a perpetual, non-exclusive, royalty-free license to copy, modify and use any information and data supplied by you or on your behalf so that we may create analytical trend data (in anonymous form) and in order to improve the quality of our advice to our clients. We will not disclose any information in a manner that allows particular clients or individuals to be identified. Notwithstanding the foregoing, you agree that your name may appear in a list of participating organizations for reports containing such analytical trend data.

D. Our respective obligations under Section 3(A) shall survive for a period of five (5) years from the date of termination of this Agreement or for such longer period as is required by law, except that any trade secrets disclosed to the Receiving Party shall be maintained in confidence in perpetuity or until such time as they are no longer reasonably considered to be trade secrets by the Disclosing Party.

E. Notwithstanding anything to the contrary in this Agreement, but subject to the terms and conditions of Section 3, we may (i) retain copies of Confidential Information that is required to be retained by law or regulation, (ii) retain copies of our work product that contain Confidential Information for archival purposes or to defend our work product and (iii) in accordance with legal, disaster recovery and records retention requirements, store such copies and derivative works in an archival format (e.g. tape backups), which may not be returned or destroyed. We may retain your information in paper or imaged format and we may destroy paper copies if we retain digital images thereof.

4. Personal Information:

Each of us and our respective Affiliates (as defined below) will comply with our respective obligations arising from data protection and privacy laws in effect from time to time to the extent applicable to this Agreement and the Services. This includes, without limitation, (i) the obligation, if any, of you or your Affiliates, to obtain any required consent(s) in respect of the transfer of information to us by you or any third party relating to an identified or identifiable individual that is subject to applicable data protection, privacy or other similar laws ("Personal Information"), (ii) any obligation with respect to the creation or collection of additional Personal Information by us, and (iii) any obligation with respect to the use, disclosure and transfer by us of Personal Information as necessary to perform the Services or as expressly permitted under this Agreement. Subject to Section 3(C), any use or processing by us of Personal Information supplied by or on your behalf in connection with the Services shall be done solely on your behalf. We shall handle such Personal Information in accordance with your reasonable instructions as may be provided from time to time in the applicable SOW or as reasonably necessary for the purpose of providing the Services and shall not handle such Personal Information in a manner inconsistent with the terms of this Agreement. We also confirm that we have taken appropriate technical and organizational measures intended to prevent the unauthorized or unlawful processing of Personal Information and the accidental loss or destruction of, or damage to, Personal Information. For purposes of this Agreement, "Affiliates" means, with respect to either Party, any entity directly or indirectly controlling, controlled by or under common control with such Party.

5. **Ownership and Use of Work; Intellectual Property:**
   A. All materials prepared by us specifically and exclusively for you pursuant to this Agreement (the "Work") shall be owned exclusively by you. Notwithstanding anything to the contrary set forth in this Agreement, we will retain all copyright, patent and other intellectual property rights in the methodologies, methods of analysis, ideas, concepts, know-how, models, tools, techniques, skills, knowledge and experience owned or possessed by us before the commencement of, or developed or acquired by us during or after, the performance of the Services, including without limitation, all systems, software, specifications, documentation and other materials created, owned or licensed and used by us or our Affiliates or subcontractors in the course of providing the Services (the "Intellectual Property"), and we shall not be restricted in any way with respect thereto. To the extent any Work incorporates any Intellectual Property, we hereby grant you a non-exclusive, non-transferable right to use such Intellectual Property solely for purposes of utilizing the Work internally in accordance with the terms of this Agreement.
   B. Unless we provide our prior written consent, you will not use, in a manner other than as mutually contemplated when we were first retained by you to perform the applicable Services, or disclose to any third party, other than your attorneys, accountants or financial advisors with a need to know and who are bound by confidentiality obligations at least as restrictive as those contained in this Agreement, any Work or Intellectual Property or other material supplied by us under this Agreement, and you shall be responsible for, and we shall have no liability with respect to, modifications made by any person other than us to the Work, Intellectual Property or other work product provided to you by us. You will indemnify, defend and hold us and our Affiliates harmless in respect of any Loss (as defined in Section 7) incurred by us as a result of your breach of this obligation or any modifications made by any person other than us to the Work, Intellectual Property or other work product provided to you by us.

6. **Dispute Resolution:**
   A. Before commencing any action or proceeding with respect to any dispute between us arising out of or relating to any of our Services, the Parties shall first attempt to settle the dispute through consultation and negotiation in good faith and in a spirit of mutual cooperation. If the dispute is not resolved within five (5) business days, either of us may elect to escalate the resolution of such dispute by submitting the dispute in writing to senior executives from each of us who will promptly meet and confer in an effort to resolve the dispute. Each Party will identify such senior executive by notice to the other Party, and each Party may change its senior executive at any time thereafter by notice. Any mutually agreed decisions of the senior executives will be final and binding on both Parties. In the event the senior executives are unable to resolve any dispute within thirty (30) days after submission to them, either Party may then refer such dispute to mediation by a mutually acceptable mediator to be chosen by both Parties within forty-five (45) days after written notice by either Party demanding mediation. Neither Party may unreasonably withhold, delay or condition consent to the selection of a mediator. All communications and discussions in

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furtherance of this paragraph shall be treated as confidential settlement negotiations that are not subject to disclosure to any third party. The costs of the mediator shall be shared equally, but each Party shall pay its own attorney's fees.

B. Any dispute that is not resolved within six (6) months of the date of the initial demand for mediation by one of the Parties may then be submitted to a court of competent jurisdiction in accordance with the provisions of Section 10(J). Nothing in this Section 6 will prevent either of us from resorting to judicial proceedings at any time if interim equitable relief from a court is necessary to prevent serious and irreparable injury or damage to that Party.

C. ANY CLAIM, ACTION OR PROCEEDING IN ANY FORUM AGAINST A PARTY OR ANY OF ITS AFFILIATES WILL BE BARRED UNLESS THE OTHER PARTY INITIATES THE DISPUTE RESOLUTION PROCEDURES SET FORTH IN THIS SECTION 6 WITHIN ONE YEAR OF THE DATE UPON WHICH THAT PARTY (i) FIRST DISCOVERED, OR (ii) UPON THE EXERCISE OF REASONABLE DILIGENCE COULD HAVE DISCOVERED THE ACT, ERROR OR OMISSION THAT IS THE BASIS FOR SUCH CLAIM, WHICHEVER DATE IS SOONER.

7. Limitation of Liability:

A. The aggregate liability of Mercer, our Affiliates and any officer, director or employee of ours and our Affiliates ("Mercer Parties") to you, your Affiliates, your officers, directors or employees or those of your Affiliates and any third party (including any benefit plan, its fiduciaries or any plan sponsor) for any and all Losses arising out of or relating to the provision of any Services at any time by any of the Mercer Parties shall not exceed the greater of one times the Compensation for the Services giving rise to such Loss and $100,000. Mercer shall have no liability for the acts or omissions of any third party (other than our subcontractors).

B. In no event shall either Party or its Affiliates be liable in connection with this Agreement or the Services to the other Party, its Affiliates or any third party for any loss of profit or incidental, consequential, special, indirect, punitive or similar damages. The provisions of this Section 7 shall apply to the fullest extent permitted by law. Nothing in this Section 7 limiting the liability of a Party shall apply to any liability that has been finally determined by a court to have been caused by the fraud of such Party.

C. For purposes of this Agreement "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise. For the avoidance of doubt, multiple claims arising out of or based upon the same act, error or omission, or series of continuous, interrelated or repeated acts, errors or omissions shall be considered a single Loss.

D. Each of the Parties acknowledges that the Compensation for the Services to be provided under this Agreement and the applicable SOW reflects the allocation of risk set forth in this Section 7.

8. Unforeseen Events:

Neither Party shall be liable for delays or failures in performance of obligations under this Agreement, other than failure to make payments hereunder when due, resulting from events beyond its reasonable control, including without limitation "acts of God," fire, flood, riots, new laws which prevent the carrying out of the Services, the results of terrorist activity, failures of third party suppliers, and electronic and other power failures.

9. Duration and Termination of this Agreement:

This Agreement will continue until terminated as provided in this Section, except as provided otherwise in a SOW. This Agreement and any SOW may be terminated (i) by either Party upon ninety (90) days' prior written notice to the other Party, (ii) by either Party upon material breach by the other Party, which breach is not cured within thirty (30) days after receipt of written notice thereof, or (iii) immediately by us for non-payment of invoices by you as provided under Section 1. After the termination of this Agreement, Sections 3, 4, 5, 6, 7, 9 and 10 will survive in full force and effect. Any termination of this Agreement shall not relieve you or your Affiliates of their obligations to pay for Services rendered and expenses incurred by us or our Affiliates up to and including the effective date of such termination, and such termination may require you to pay termination fees to the extent provided in a SOW. Notwithstanding the foregoing, to the extent that the Parties agree that Mercer shall continue to provide Services after the effective date of termination of this Agreement or any SOW, the terms and conditions of this Agreement and the applicable SOW shall survive until such Services are completed or the Parties agree that the Services shall no longer be provided.

10. Additional Terms:

A. ***Terms Incorporated by Reference; Excluded Services*** - The provision of Services (whether or not under any SOW) shall be considered to be provided under and subject to the terms of this Agreement and the terms set forth in any SOW shall be deemed incorporated by reference into this Agreement for purposes of that SOW. For purposes of this Agreement, the term Excluded Services means outsourcing and/or benefit administration services; investment management services; advice or counsel relating to executive remuneration services to the compensation committee of the Board of Directors; mergers and acquisitions related services (unless otherwise set forth in a SOW attached to this Agreement); services related to the use, support or development of our proprietary software, databases, information systems or other intellectual property; advice and counsel to trustees of Client Group-sponsored pension schemes or plans in countries outside the United States where it is necessary to contract directly with the trustees or pension boards or other similar persons or entities to avoid conflicts of interest or as required by law. The Parties understand and agree that Excluded Services are provided under separate agreements that are specific to those particular services.

B. ***Notices*** - Any notice that is to be given by one Party to the other under this Agreement will be given in writing and delivered to, [redacted], with a copy to the Legal Department, Mercer, 1166 Avenue of the Americas, New York, New York 10036 if to Mercer or [redacted] if to Client, or any other address specified by notice subsequently by one Party to the other. A notice will be effective upon receipt.

C. ***No Third Party Beneficiaries*** - Neither this Agreement nor the provision of the Services is intended to confer any right or benefit on any third party, other than the Affiliates of each Party that execute a SOW, and, in such event, solely as set forth in such SOW and this Agreement. The provision of Services under this Agreement cannot reasonably be relied upon by any third party.

D. ***No Publicity*** - You agree not to refer to us or attribute any information to us in the press (including for the purposes of advertising or promotion, or for the purpose of informing or influencing any other party, including the investment community), without our prior written consent. We agree not to refer to you in the press or for promotional purposes without your prior written consent, provided that we may include your name in our representative client listing and as provided in Section 3(C).

E. ***Waiver*** - The failure by either Party to insist upon strict performance of any provision of this Agreement shall in no way constitute a waiver of rights under this Agreement, at law or in equity.

F. ***WAIVER OF JURY TRIAL*** - EACH PARTY, ON BEHALF OF ITSELF AND ITS AFFILIATES, TO THE FULLEST EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY SERVICES PROVIDED BY MERCER OR ITS AFFILIATES. THE WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY AGREES NOT TO INCLUDE ANY EMPLOYEE, OFFICER, DIRECTOR OR TRUSTEE OF THE OTHER AS A PARTY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM RELATING TO SUCH DISPUTE.

G. ***Warranties of Mercer*** - Except as expressly set forth in this Agreement, we expressly disclaim any warranty, express or implied, including but not limited to any implied warranty of merchantability and fitness for a particular purpose.

H. ***Entire Agreement*** - This Agreement is the complete, entire and fully integrated agreement between the Parties except with respect to the Excluded Services. This Agreement (including any SOW and any schedules or exhibits attached hereunder) supersedes, revokes, cancels, extinguishes and replaces all prior or contemporaneous understandings, agreements, undertakings, negotiations and discussions, whether oral or written, between the Parties except with respect to the Excluded Services. The Parties agree that, except for the obligations under this Agreement, they have no obligations to one another and have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth in this Agreement. Because the Parties are of equal commercial sophistication in negotiating contracts and have negotiated this Agreement at arms length, it shall not be construed for or against any Party. Each

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Party is entering into this Agreement voluntarily, has read and understands all provisions of this Agreement and has had the opportunity to seek and obtain the advice of counsel on its rights and responsibilities under, and the terms and conditions of, this Agreement.

I. ***Amendment, Assignment, Subcontracting*** - Except with respect to a change in address for notices, this Agreement shall not be amended except by a written document executed by both of us. In the event of any inconsistency between the terms of a SOW and those in the Agreement, the provisions contained in this Agreement shall prevail unless the SOW specifically amends a term contained herein. Neither of us may assign this Agreement without the prior written consent of the other, except that we may assign this Agreement to an Affiliate with reasonable prior written notice to you. We may subcontract with any of our Affiliates upon reasonable prior written notice to you, and we may subcontract with third parties with your prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

J. ***Governing Law and Jurisdiction*** - Any and all actions or proceedings arising out of, or relating to this Agreement, any Services provided up to this date or any and all SOWs will be governed by, and interpreted in accordance with, the law of the State of New York and will be subject to the exclusive jurisdiction of the courts located in the State of New York. Each Party agrees that service of process in any such action or proceeding may be properly made by first class mail in accordance with the notice provisions in Section 10(B) above.

K. ***Severability*** – It is the intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner so as to afford the Party for whose benefit it was intended the fullest benefit commensurate with making this Agreement as modified, enforceable and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.

L. ***Advice on Legal Matters*** - We are not engaged in the practice of law and the Services provided hereunder, which may include commenting on legal issues or drafting documents, do not constitute and are not a substitute for legal advice. Accordingly, we recommend that you secure the advice of competent legal counsel with respect to any legal matters related to the Services or otherwise.

M. ***Counterparts*** - This Agreement may be executed and delivered (including by facsimile or a scanned PDF version) in one or more counterparts, each of which when executed shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

N. ***Authority*** – The Parties hereby represent and warrant that their respective signatories below have full legal authority to enter into this Agreement and each of its terms on their behalf.

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If you have any questions about these terms and conditions, please do not hesitate to call me. If not, please indicate your agreement to the terms of this Agreement by signing the enclosed copy of this Agreement and SOW, if applicable, and returning it to us.

Mercer (US) Inc.
Mercer Investment Consulting, Inc.
Mercer Health & Benefits LLC,
in each case, solely in connection with the Services it provides pursuant to a SOW

MERCER

By: _____

Name: _____ Date: _____
(Please Print)

Title: _____

ACCEPTED AND AGREED
Client Company

By: _____

Name: _____ Date: _____
(Please Print)

Title: _____

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POLICY HOLDER DISCLOSURE & GENERAL ACKNOWLEDGEMENT

I understand and acknowledge that I have been informed by my agent, FRANCO C CAMARILLO, that my commercial policy has not been placed with Farmers Insurance Group of Companies; instead, it has been placed with an admitted or non admitted company; through a surplus lines broker. In the procurement of insurance, the following conditions and stipulations apply:

1) The policy I'm buying has a minimum of ____% earned premium at inception, with no flat cancellations.
2) I understand and acknowledge that the surplus lines company may impose fees and taxes in the procurement of insurance in addition to the premium charged by the insuring company.
3) I understand and acknowledge that Mr. Camarillo's commissions are fully earned, whether the policy remains in force for the whole term, or if it is cancelled midterm.
4) The yearly premium stated in the quote is a minimum premium based on the information provided; and the Insurance Company can audit the policy to determine the final yearly premium, based (Gross receipts/Payroll/Subcontractors, etc).
5) I've been informed that I need to report any changes that can affect my policy, such as employees, payroll, gross receipts, etc.
6) I've been informed that I need to keep accounting records, sales receipts and any documentation needed for auditing and review of my policy.
7) I've been informed and I have granted permission to my agent Franco Camarillo, to find and procure a finance agreement with a finance company in my behalf, as it is my decision to pay for my policy in installments. I acknowledge that this process is separate from the placement of insurance and that Mr. Franco Camarillo will charge and additional fee of (stated amount).
8) I understand and agree that there will be additional fees, interest or taxes on my Finance Agreement with (name of Finance company); which I will be responsible to pay, whether it is in the process of procuring insurance or canceling my policy.

Name Insured

Franco C Camarillo

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NON FARMERS INSURANCE
GENERAL ACKNOWLEDGEMENT

I understand and acknowledge that I have been informed by my agent, FRANCO C CAMARILLO, that my policy for (Policy type) has not been placed with Farmers Insurance Group of Companies; instead, it has been placed with (Name of Company) a surplus lines broker. In the procurement of insurance, the following conditions and stipulations apply:

1) The policy I'm buying has a minimum of (percentage stated by surplus line) % earned premium at inception, with no flat cancellations.
2) I understand and acknowledge that the surplus lines company may impose fees and taxes in the procurement of insurance in addition to the premium charged by the insuring company.
3) I understand and acknowledge that Mr. Camarillo's commissions are fully earned, whether the policy remains in force for the whole term, or if it is cancelled midterm.

_____
Insured's name

282

RE: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

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From: Singer, Alan (OIC) Add to Address Book
To: Ralph Taylor
CC: Penn, Cheryl (OIC), Sureau, Carol (OIC), Hamje, John (OIC), Durphy, Mark (OIC)
Date: Thursday, October 27, 2011 5:00:34 PM
Subject: RE: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

Hall & Co..pdf

Thanks, Ralph. I will also refer it to our Investigations Manager, Mark Durphy.

Alan Michael Singer
Staff Attorney, Legal Affairs
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360.725.7046 | 360.586.0152 (fax) | alans@oic.wa.gov | www.insurance.wa.gov
• wainsurance.blogspot.com • Twitter: @WAinsuranceblog • Facebook.com/WSOIC •

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Thursday, October 27, 2011 2:34 PM
To: Singer, Alan (OIC)
Subject: Re: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

Alan,

Please find a disclosure form that came across my desk today. It is what I believe Hall uses for their fee disclosure. This in my opinion is definitely non compliant. Can you forward to Cheryl to add to her survey.

Thanks,

Ralph Taylor
Broker
Orion Insurance Group, Inc.
4208 198th St. S.W. Ste. 201
Lynnwood, WA 98036
Phone (425) 771-5197
Fax (425) 275-0712

-----Original Message-----
From: "Singer, Alan (OIC)" <AlanS@OIC.WA.GOV>
Sent 10/27/2011 1:46:50 PM
To: "Cairns, Kelly (OIC)" <KellyC@oic.wa.gov>, "Ralph Taylor" <rtaylor@orioninsgroup.com>
Cc: "Penn, Cheryl (OIC)" <CherylP@OIC.WA.GOV>, "Azevedo, Marianne (OIC)" <MarianneA@oic.wa.gov>
Subject: RE: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

Hi Kelly,

At yesterday's prehearing conference I agreed to help secure Cheryl Penn's and Marianne Azevedo's appearance on the 22nd of November. Unfortunately, I have bad news. Within the past hour and a half I just learned that neither Marianne Azevedo nor Cheryl Penn will be available on the 22nd of November. Ms. Azevedo will be leaving the first part of November on vacation out of the country through the 28th, returning the 29th, and I understand Ms. Penn too will also be unavailable the 22nd as she scheduled to be on vacation that week, too. I am sharing this with you because yesterday I told Judge Petersen I would inform her of any such unavailability.

I did follow up with Ms. Penn and Ms. Azevedo for dates they are available this month, perhaps in the event

Thanks, Ralph. I will also refer it to our Investigations Manager, Mark Durphy.

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• wainsurance.blogspot.com • Twitter: @WAinsuranceblog • Facebook.com/WSOIC •

From: Ralph Taylor [mailto:rtaylor@orioninsgroup.com]
Sent: Thursday, October 27, 2011 4:38 PM
To: Singer, Alan (OIC)
Subject: Re: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

Alan,

I think I sent this to you but am not sure. This is a form I ran across that Alaska USA was using. I don't think it is compliant but I figured you could send it to Cheryl for her survey.

Thanks,

Ralph Taylor
Broker
Orion Insurance Group, Inc.
4208 198th St. S.W. Ste. 201
Lynnwood, WA 98036
Phone (425) 771-5197
Fax (425) 275-0712

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Sent 10/27/2011 5:00:34 PM
To: "Ralph Taylor" <rtaylor@orioninsgroup.com>
Cc: "Penn, Cheryl (OIC)" <CherylP@OIC.WA.GOV>, "Sureau, Carol (OIC)" <CarolS@OIC.WA.GOV>, "Hamje, John (OIC)" <JohnHA@OIC.WA.GOV>, "Durphy, Mark (OIC)" <MarkD@oic.wa.gov>
Subject: RE: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

Thanks, Ralph. I will also refer it to our Investigations Manager, Mark Durphy.

Alan Michael Singer
Staff Attorney, Legal Affairs
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Cc: "Penn, Cheryl (OIC)" <CherylP@OIC.WA.GOV>, "Azevedo, Marianne (OIC)" <MarianneA@oic.wa.gov>
Subject: RE: Ralph G. Taylor dba Orion Insurance Group, No. 11-0123

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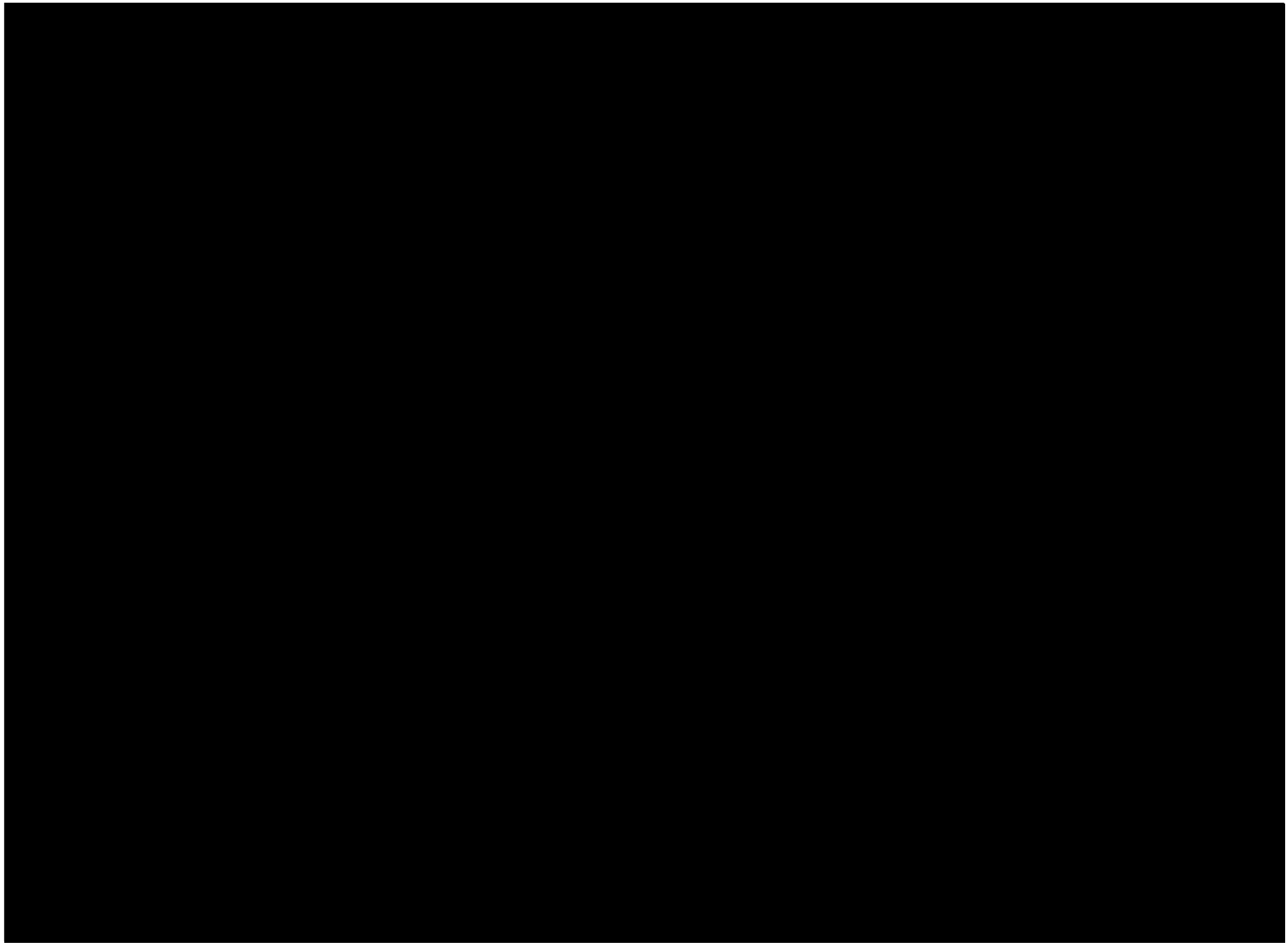
I did follow up with Ms. Penn and Ms. Azevedo for dates they are available this month, perhaps in the event their testimony may be taken out of order. Here are dates they are free, excluding dates I am not available:

Cheryl Penn:
In November she will be available:
11/7
11/9
11/10
11/14
11/16

LA Staff
February 2010

Bader	1022461	**Cross America / David Rustein.** After review and discussion with SSA BROWN it was decided to prepare the case for issuance of a C&D. Recent events have tied the above entities and persons into a new scheme involving many known discount plan and mini-med scammers and the AIM entity and CrossAmerica have been abandoned in favor of the newer entities. Inasmuch as this involves a collaborative investigation involving several states, the instant investigation is being closed as too stale to pursue and the information gathered therein is being maintained in a new case file titled "DeLuca/Karns/IRG/NABL", which will be worked in conjunction with other states and the Federal Trade Commission. This is anticipated to be a long-term organized conspiracy case. Investigation closed; evidence is stale.	2/25/10
Bader	1030475	**Builders Risk Specialty Surety & Bonding Company** - Case closed for investigations and routed to Atty for review and disposition.	2/3/10 – referred to atty.
Bertrand	1028904	**Import Motors, Inc., aka King Nissan/Volvo.** The Protection Plus product is a theft recovery system (Lojack type) that will pay $3,000.00 to the purchaser, and $2,000.00 toward the purchase of a new vehicle if it's stolen and totaled as a result of the theft, or not recovered in 30 days. This is a Protection Product Guarantee, Nissan Extended Services North America is a registered service contract provider. Consumer protection issues will need to be addressed by the Attorney General Consumer Protection Division. A letter will be sent to AGO Investigator Hanna answering her query. The case is closed as unfounded.	2/1/10
Bertrand	1035525	**Jacobs Auto Glass.** Contact was made with the owner, Yakov Davydenko on 02/01/2010 to advise him of the law. He said he did not know it was illegal, I read the RCW to him and told him he could still advertise in Idaho, but would need to put a disclaimer in his ad that the offer was not valid in Washington. No further action indicated at this time, it is recommended the case be closed as resolved.	2/1/10

OIC 4048 taylor 1065