

April 2, 2013

Office of Insurance Commissioner
Attn: Kelly Cairns
P.O. Box 40255
Olympia, WA 98504-0255

2013 APR -8 A 9:53

Hearings Unit, DIC
Patricia E. Peterson
Chief Insurance Officer

Dear Ms. Cairns,

We have received Mr. Charles Brown's letter, dated March 19, 2013, which informed us of a proposed enforcement action regarding a violation of Washington's rebate statute, RCW 48.30.140. A copy of this letter is enclosed.

I am requesting a hearing to challenge this action of the Commissioner for the following reasons:

- A.) We are not in violation of RCW 48.30.140. This statute regards rebating; the language therein reads as follows:

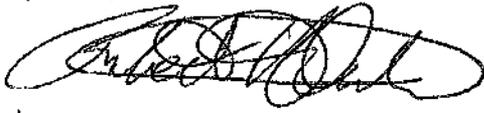
" (1) Except to the extent provided for in an applicable filing with the commissioner then in effect, no insurer, insurance producer, or title insurance agent shall, as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract, or any commission thereon, or earnings, profits, dividends, or other benefit, or any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy."

The Unity Group's "Refer-A-Friend" program, which is the subject of the proposed enforcement action, does not provide any payments of the nature prohibited in the statute. Instead, when an individual refers a friend or family member to us, and the referred individual lets us know who referred them, we send the referring party a personal thank-you card along with a \$10 gift card. We send the thank-you gift card to the referring party regardless of whether or not the referred party enters into an insurance contract with us and no purchase of any kind is necessary. We make no direct or indirect offer, promise, allowance or offset to any insured, nor do we provide a rebate, discount, abatement or reduction of premium or commission. Instead, we simply send the referring party, who need not be a customer of ours and, in fact, in many cases is NOT a customer of ours, a thank-you gift. Then, once a month, we hold a drawing to select one individual, from amongst all those who referred people to us that month, to receive a \$50 gift certificate, as an additional thank-you. We also select one person at random for an annual thank-you gift amounting to \$350 in value. Again, there are no requirements that an insurance policy be written in order to receive these thank-you gifts, and this in no way represent any form or inducement or rebate.

B.) The facts referred to in the finding are incorrect. The proposed consent order indicates that... "the licensee had given forty-nine gift cards worth fifty dollars (\$50) apiece to existing insurance clients for referring business to the agency, and that in December, 2011, the Licensee gave one of its existing clients a prize for referrals consisting of a hotel stay with massage and breakfast with a value of over three hundred dollars (\$300)." In fact, our Refer-A-Friend program resulted in our providing only *twelve* gift cards in the amount of fifty dollars (\$50) to referees who, in several cases, were not existing clients of this agency.

Given that the Office of the Insurance Commissioner's conclusions were based upon an inaccurate assessment of the facts surrounding our referral program, we respectfully request a hearing to consider a reversal of findings in this matter.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Robb Dale", written over a large, loopy flourish.

Robb Dale
Chief Executive Officer

Cc: Mr. Charles Brown
OIC Staff Attorney



OFFICE OF
INSURANCE COMMISSIONER

In The Matter of

THE UNITY GROUP, INC.,

Licensee.

NO. 13-0096

CONSENT ORDER
LEVYING A FINE

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.17.060 and RCW 48.17.063, having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT:

1. The Unity Group, Inc. holds a Washington entity insurance producer license for life, disability, property and casualty, WAOIC #15910.

2. In September 2011, the OIC began a financial examination of the Licensee in the course of which the OIC discovered that between July, 2011, and August, 2012, the Licensee had given forty-nine gift cards worth fifty dollars (\$50) apiece to existing insurance clients for referring business to the agency, and that in December, 2011, the Licensee gave one of its existing clients a prize for referrals consisting of a hotel stay with massage and breakfast with a value of over three hundred dollars (\$300).

CONCLUSIONS OF LAW:

1. By giving existing insurance clients prizes exceeding twenty-five dollars in value (\$25), the Licensee engaged in illegal rebating and committed multiple violations of RCW 48.30.140(1).

CONSENT TO ORDER:

Licensee, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of his desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Licensee's payment of a fine and on such terms and conditions as are set forth below.

1. Licensee consents to the entry of this Order and waives any and all hearing rights and further administrative or judicial challenges to this Order.

2. By agreement of the parties, the Insurance Commissioner will impose a fine of \$500 (Five Hundred Dollars).

3. Licensee also understands and agrees that failure to timely pay the fine imposed by this Order will result in revocation of its Washington producer license and in recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this ____ day of _____, 2013.

THE UNITY GROUP, INC., by:

Signature: _____
Title: _____

ORDER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. Licensee shall pay a fine of \$500 (Five Hundred Dollars), payment of which shall be made within thirty days of the date of entry of this Order.

2. Failure to timely pay the fine imposed by this Order will also result in revocation of the producer license of The Unity Group, Inc. and will result in recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this ____ day of _____, 2013.

MIKE KREIDLER
Insurance Commissioner

By _____
Charles D. Brown
OIC Staff Attorney
Legal Affairs Division