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STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)
)
NATIONAL MULTIPLE SCLEROSIS) **Docket Nos. 14-0241; 15-0018**
SOCIETY) **ORDER TERMINATING**
) **PROCEEDINGS**
)
_____)

TO: Katie Thomas, Corporate Counsel
National Multiple Sclerosis Society
900 S. Broadway, 2nd Floor
Denver, CO 80209

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
William R. Michels, Deputy Commissioner, Company Supervision Division
Steven E. Drutz, Chief Financial Analyst, Company Supervision Division
Darryl Colman, Insurance Enforcement Specialist, Legal Affairs Division
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On December 17, 2014, the Office of the Insurance Commissioner ("OIC") Chief Financial Analyst, Steven E. Drutz, sent to Eric Hilty, Chief Legal Officer of the National Multiple Sclerosis Society ("NMSS"), a Proposed Consent Order Levying a Fine, No. 14-0241, proposing the imposition of a fine against NMSS, in lieu of other administrative action, for its failure to submit its 2013 Annual Report and Actuarial Certification concerning its charitable gift annuities in a timely manner.

On January 23, 2015, Mr. Drutz sent Mr. Hilty a Proposed Consent Order Levying a Fine, No. 15-0018, proposing the imposition of a fine against NMSS, in lieu of other administrative action, for its failure to submit its 2014 Annual Report and Actuarial Certification in a timely manner.

By email dated January 23, 2015, NMSS requested a consolidated hearing on the proposed consent orders ("Demand").

ORDER TERMINATING PROCEEDINGS

Nos. 14- 0241; 15-0018

Page - 2

A prehearing conference was held on February 10, 2015, and the evidentiary hearing in this Matter was set for March 9, 2015.

On March 9, 2015, the OIC filed with the Hearings Unit a copy of the Consent Order Levying a Fine, Nos. 14-0241 and 15-0018, executed by NMSS on March 3, 2015, and the OIC on March 4, 2015, which sets forth the terms of the parties' settlement agreement. A copy of the Consent Order is attached hereto.

Based upon the above activity,

IT IS HEREBY ORDERED that, by NMSS's and the OIC's execution of the Consent Order Levying a Fine, the parties have fully settled this matter, and this Matter, Docket Nos. 14-0241 and 15-0018, is dismissed with prejudice.

DATED: March 10, 2015.



Judge George Finkle (Ret.)
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: Katie Thomas, Mike Kreidler, James T. Odiome, William R. Michels, Steven Drutz, AnnaLisa Gellermann and Darryl Colman.

DATED this 11th day of March 2015.


KELLY A. CAIRNS

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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

NATIONAL MULTIPLE
SCLEROSIS SOCIETY.

Docket Nos. 14-0241, 15-0018

CONSENT ORDER LEVYING
A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.38.010, and RCW 48.38.050.

BASIS:

1. National Multiple Sclerosis Society ("NMSS") is a charitable organization registered under Chapter 48.38 RCW. NMSS holds Certificate of Exemption #183113 to issue charitable gift annuities in the State of Washington.

2. NMSS was required, under RCW 48.38.010(10), to submit its 2013 Annual Report and Actuarial Certification on or before December 2, 2013, covering the previous fiscal report year. NMSS submitted its 2013 Annual Report and Actuarial Certification on February 27, 2014.

3. NMSS was required, under RCW 48.38.010(10), to submit its 2014 Annual Report and Actuarial Certification on or before December 1, 2014, covering the previous fiscal report year. NMSS submitted its 2014 Annual Report and Actuarial Certification on January 8, 2014.

4. NMSS's failure to meet the filing deadline for of its Annual Report and Actuarial Certifications for 2013 and 2014 violated RCW 48.38.010(10).

5. RCW 48.38.050(1) provides the Insurance Commissioner authority to refuse, suspend, or revoke a certificate of exemption granted under Chapter 48.38 RCW if the

CONSENT ORDER LEVYING A FINE
ORDER NO. 14-0241, 15-0018

1

Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

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insurer or institution that holds the certificate of exemption does not meet the requirements of or violates any provision of Chapter 48.38 RCW.

6. RCW 48.38.050(2) provides that, in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of exemption under Chapter 48.38 RCW, the Insurance Commissioner may levy a fine upon the holder of the certificate of exemption in an amount not more than ten thousand dollars, after hearing or with the consent of insurer or institution that holds the certificate of exemption.

7. NMSS's violations of RCW 48.38.010(10) justify the imposition of a fine on NMSS under RCW 48.38.050.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and NMSS agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Company consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of NMSS's payment of a fine and upon such terms and conditions as are set forth below:

1. NMSS acknowledges its duty to comply fully with the applicable laws of the state of Washington.

2. NMSS consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Order.

3. NMSS hereby withdraws its administrative appeal in this matter, which is consolidated under the Insurance Commissioner's Docket Nos. 14-0241 and 15-0018, and consents to the dismissal of this appeal.

4. By agreement of the parties, the Insurance Commissioner will impose a fine of \$3,000.00 (Three Thousand dollars) and suspend \$2,000.00 (Two Thousand Dollars) of that, on the conditions that:

- a. Within thirty (30) days of the entry of this Order, NMSS pays \$1,000.00; and
- b. NMSS commits no further violations of RCW 48.38.010(10) for a period of two years from the date this Order is entered.

CONSENT ORDER LEVYING A FINE
ORDER NO. 14-0241, 15-0018

2

Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

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5. The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner according to the conditions as set forth above, without any right to hearing, appeal or advance notice. The suspended portion of the fine will be paid within thirty (30) days of the entry of an Order imposing it. Failure to pay the suspended portion of the fine when imposed shall constitute grounds for revocation of the Company's certificate of exemption.

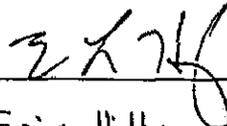
6. NMSS understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations in addition to the imposition of the suspended portion of the fine.

7. NMSS's failure to pay the unsuspended portion of the fine within thirty (30) days of the entry of this Order shall constitute grounds for revocation of the Company's certificate of exemption, and shall result in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

8. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving NMSS. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 3rd day of March, 2015.

NATIONAL MULTIPLE SCLEROSIS SOCIETY

By: 

Printed Name: Eric Hilty

Printed Corporate Title: Chief Legal Officer

CONSENT ORDER LEVYING A FINE
ORDER NO. 14-0241, 15-0018

3

Office of the Insurance Commissioner
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AGREED ORDER:

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. NMSS shall pay a fine in the amount of \$3,000.00 (Three Thousand dollars), of which amount the sum of \$2,000.00 (Two Thousand dollars) is suspended on the condition that NMSS fully complies with RCW 48.38.010(10) for the next two years.

2. NMSS's failure to pay the unsuspended portion of the fine within thirty (30) days of the entry of this Order shall result in the revocation of NMSS's certificate of exemption and in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General for the state of Washington.

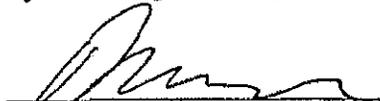
3. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving NMSS. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

Entered this 4th day of March 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



DARRYL E. COLMAN
Insurance Enforcement Specialist
Legal Affairs Division