MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

Phone: (360) 725-7000

FILED

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Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing 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 of a true copy of this document to all parties
DATED this 26 day of Jan 2005
at Tumwater, Washington.
Signed: W Galloway

HEARINGS UNIT
Fax: (360) 664-2782

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

Wendy Galloway
Administrative Assistant
(360) 725-7002
wendyg@oic.wa.gov

In the Matter of: UNIMED INSURANCE COMPANY, Unauthorized entities, and WILLIAM A. LEDEE III., et. al., Principals.	No. D04-150 FINAL ORDER TERMINATING PROCEEDING

TO: Brian Kreger, Attorney at Law
Ryan, Swanson, Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, Washington 98101-3034

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
J. Scott Jarvis, Deputy Insurance Commissioner, Consumer Protection
Jim Odiorne, Deputy Commissioner, Company Supervision
Carol Sureau, Deputy Insurance Commissioner, Legal Affairs
Charles D. Brown, Staff Attorney, Legal Affairs
PO Box 40255
Olympia, WA 98504-0255

On August 16, 2004, Unimed Insurance Company; Professional Liability Insurance Company, Ltd.; Ledee & Associates, LLC; PLIC Claims Management, Inc.; William A. Ledee III; and Bertha Louise Ledee (hereafter referred to individually and collectively as "Respondents"), by

and through their attorney, Brian F. Kreger, Esq., filed a Demand for Hearing to contest the Order to Cease and Desist which was entered by the Insurance Commissioner (Commissioner) in this matter. On October 8, 2004, a first prehearing conference was held to discuss procedure to be expected during the hearing process and to answer all questions and concerns of the parties. Finally, the parties agreed to a November 30, 2004 hearing date.

On November 8, 2004, a second prehearing conference was held to hear a Motion for a Continuance of the hearing in this matter. The Respondents were represented by their attorney, Brian F. Kreger, and the Commissioner was represented by Charles D. Brown, Staff Attorney. During this second prehearing conference, the undersigned considered Respondents' letter to the Commissioner filed October 21, 2004 and heard argument from both parties that a continuance should be granted based upon the fact that: (1) Respondents' discovery requests had just been completed by the Commissioner on October 29, 2004; (2) due to the parties' efforts to settle this matter and accordant agreement that the discovery might be delayed; and (3) based on the fact that the Commissioner had just sent out his discovery requests to Respondents, and therefore the two anticipated depositions could not take place in time for the November 30, 2004 hearing date. Both parties jointly requested that the hearing be continued until January 31, 2005.

During the subject second prehearing conference, Respondents acknowledged that they understood that the Order to Cease and Desist was not stayed in this matter, and that therefore they were bound to, and were in fact, complying with the Order to Cease and Desist. However, concerning compliance with the second paragraph on page 3 of the Order to Cease and Desist, the Commissioner advised that he, not Respondents, have provided notice of the content of the Order to Cease and Desist to *all Washington residents, persons practicing health care in Washington and/or Washington facilities who or which have purchased any insurance or insurance-related products from Respondents.* Respondents advised that, in compliance with the second portion of the second paragraph on page 3 of the Order to Cease and Desist, they would continue to pay all outstanding claims which have or may be filed relative to the subject policies as detailed therein. In summary, then, as to compliance with this paragraph, notice to insureds has been provided as required therein albeit by the Commissioner instead of Respondents, and Respondents acknowledged their intent to properly handle any claims which might be filed, both as required by this paragraph. Finally, Respondents acknowledged their responsibility to comply with all other portions of the Order to Cease and Desist as well.

Further, during the subject second prehearing conference the undersigned advised that, because a Demand for Hearing to challenge the July 19, 2004 Order to Cease and Desist was filed only by those Respondents specifically identified in the first paragraph of this Order of Continuance, pursuant to RCW 48.04.010(3), all of the other individuals and entities named in the Order to Cease and Desist have lost their right to challenge the Order to Cease and Desist and have been bound to comply with all terms of the Order to Cease and Desist since its July 19, 2004 effective date and permanently.

Subsequently, on December 27, 2004, Respondents filed a Notice of Withdrawal of Demand for Hearing in this matter and advised that there was no settlement agreement or other agreement pertaining to this withdrawal.

Based upon Respondents' Notice of Withdrawal of Demand for Hearing,

IT IS HEREBY DECLARED AND ORDERED that, pursuant to the above-referenced and Respondents' Notice of Withdrawal of Demand for Hearing, which is attached hereto and is by this reference incorporated herein, **THIS PROCEEDING IS TERMINATED AND DISMISSED WITH PREJUDICE.** Respondents are advised that they are permanently bound to comply with the subject Order to Cease and Desist, and have been so bound since its effective date of July 19, 2004.

THIS ORDER IS ENTERED AT TUMWATER, WASHINGTON, this 26th day of January, 2005.

PATRICIA D. PETERSEN
Presiding Officer
Chief Hearing Officer

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Hearings Unit OIC
Patricia D. Petersen
Chief Hearing Officer

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF WASHINGTON

In the matter of UNIMED INSURANCE COMPANY, et al.	NO. D04-150 **NOTICE OF WITHDRAWAL OF DEMAND FOR HEARING**

Come now Unimed Insurance Company; Professional Liability Insurance Company Ltd.; Ledee and Associates, LLC; PLIC Claims Management, Inc.; William A. Ledee, III, and Bertha Louise Ledee (collectively, "Respondents") in the above-captioned matter, hereby withdraw their Demand for Hearing filed with the Office of Insurance Commissioner on or about August 16, 2004.

DATED this 27th day of December, 2004.

RYAN, SWANSON & CLEVELAND, PLLC

By _____

Brian F. Kreger, WSBA #10670
Attorneys for Respondents Unimed Insurance Company; Professional Liability Insurance Company Ltd.; Ledee and Associates, LLC; PLIC Claims Management, Inc.; William A. Ledee, III, and Bertha Louise Ledee

LAWYERS

RYAN, SWANSON & CLEVELAND, PLLC
1201 Third Avenue, Suite 3400
Seattle, Washington 98101-3034
(206) 464-4224

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

Unimed Insurance Company; Professional Liability Insurance Company, LTD; Ledee and Associates, LLC; Professional Liability Insurance Corporation; PLIC Claims Management, Inc.; Crowne Global Group, LTD; Medical Risk Associates,RPG,LTD, And Physicians Malpractice Analysts, Inc. **Unauthorized Entities**, and	)	No. DO4-150
William A. Ledee III; Ignatius Angelo "Iggy" DeBlasi; James Reynolds; Matthew Reed; Mishima Murasaki; Bertha Louise Ledee; Judy Frese; Jennifer Anderson, aka: "Brooke Harris"; Robert Edward Ledee; Suzanne Suhrie; Charles Bailey, MD; "Laurie" or "Lori", Last name Unknown, and "Elizabeth", Last Name Unknown, **Principals**	)	ORDER TO CEASE AND DESIST

Pursuant to RCW 48.02.080, RCW 48.05.030, RCW 48.15.020, RCW 48.15.023, RCW 48.30.010 and RCW 48.30.040, the Office of the Insurance Commissioner ("OIC") orders the entities and the individuals named above and their officers, directors, trustees, agents, employees and affiliates ("**Respondents**") to immediately cease and desist from:

A. transacting insurance in the State of Washington in violation of the Washington Insurance Code;

B. transacting insurance affording coverage of Washington State residents and/or Washington-located risks;

C. engaging in or transacting the business of insurance in the State of Washington, including the collection or attempted collection of premium monies and the advertising of insurance and insurance-related products;

D. soliciting Washington residents to sell and/or purchase any plan or policy affording coverage for malpractice, errors and omissions, liability or any other form of insurance;

E. soliciting Washington residents to sell and/or purchase any form of insurance;

F. soliciting Washington residents by e-mail, facsimile (fax), telephone, mail or any other means to induce them to sell and/or purchase any form of insurance product.

G. offering to Washington residents a plan or policy of coverage for any form of insurance without first submitting to examination by the insurance commissioner to determine the organization and solvency of the person or the entity offering such insurance, and to determine whether or not such person or entity complies with the applicable provisions of the Insurance Code.

THIS ORDER IS BASED ON THE FOLLOWING:

1. Violation of RCW 48.05.030, Certificate of authority required; RCW 48.15.020, Solicitation by unauthorized insurer prohibited; and RCW 48.17.060, License required;

a.) Commencing in or about August 2002, and continuing to the present time, Respondents solicited Washington residents and/or medical facilities to purchase plans and policies affording insurance coverage for medical liability, and sold plans and policies,affording insurance coverage for medical liability to Washington residents and/or medical facilities. Respondents have not applied for or been granted, a certificate of authority or license to act as an insurer or an insurance agent in Washington. Respondents have not submitted to OIC any appropriate certificate, license, or other document issued by another agency of this state, any subdivision thereof, or the federal government, permitting or qualifying Respondents to provide such coverage in this state. Respondents have also not registered with the OIC as risk retention or risk purchasing agents, nor have they transacted this insurance through a licensed surplus lines broker in this state.

b.) On or about 2/24/04, Respondents solicited a physician licensed by and practicing and residing in Washington to purchase a plan or policy of medical liability insurance and submitted a written quotation for such policy.

2. Violation of RCW 48.30.040, False information and advertising

Respondents represented to prospective purchasers that the insurance product they were selling was in compliance with the laws of the State of Washington. This representation was false, deceptive and misleading, in that the Respondents were not authorized to solicit an insurance transaction or to issue an insurance contract under RCW Title 48.

Respondents were informed in writing and verbally in November 2002, February 2003, and April 2003 of the requirements for legally transacting the business of insurance in Washington. Afterward, Respondents committed the above violations.

By Cease and Desist Orders, the States of Florida (Order # 66366-03-CO); Alabama (C-2002-11R); Illinois (4090); Mississippi (Issued 2/25/03); Nevada (97.155), Pennsylvania (C001-08-019) and Texas (95-0112 and 97-0533) have also determined that Unimed Insurance Company, Professional Liability Insurance Company, LTD, et al., were transacting insurance in those states in violation of the laws of those states and have ordered said Respondents to cease and desist from transacting insurance in violation of the laws of those states.

Respondents are ordered to furnish the Office of the Insurance Commissioner, within thirty (30) days of receipt of this order, with a complete listing, to include full contact information, of all Washington residents, persons practicing health care in Washington, and/or Washington facilities, who or which have purchased any insurance or insurance-related product from Respondents.

Respondents are further ordered to notify all Washington residents, persons practicing health care in Washington, and/or Washington facilities, who or which have purchased any insurance or insurance-related product from Respondents, of the complete content of this order within ten (10) days of receipt of the order and are to continue to pay all outstanding claims filed before or within thirty (30) days after such notification. Respondents shall also continue to be liable for claims filed within one year after the date of this order in which the event precipitating the claim occurred prior to the date of the written notification to the policy holder.

Pursuant to RCW 48.15.020 (2) (b), each unauthorized insurer and each individual who made a contract of insurance in this state, directly or indirectly, shall remain individually liable for the performance of the contract and for the full amount of any loss sustained by an insured under such contract.

Pursuant to RCW 48.14.095 and RCW 48.14.020, each unauthorized insurer that made a contract of insurance in this state, directly or indirectly, shall be and remain liable for payment of Washington State premium taxes and for any penalties and interest due pursuant to RCW 48.14.060.

Any violation of the terms of this Order by Respondents, their officers, directors, employees, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.17.530, 48.15.020 and other applicable Code sections.

Respondents have the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 19th day of July, 2004.

MIKE KREIDLER
Insurance Commissioner

By: _____
Carol Sureau, Deputy Commissioner
Legal Affairs Division
Office of Insurance Commissioner
State of Washington