

STATE OF WASHINGTON

Phone: (360) 725-7000

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER



FILED

**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 parties listed below  
DATED this 12th day of September 2006 at Tumwater, Washington.

Signed Wendy Galloway

OFFICE OF  
INSURANCE COMMISSIONER

HEARINGS UNIT  
Fax: (360) 664-2782

2006 SEP 12 A 9:50

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

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

Wendy Galloway  
Paralegal  
WendyG@OIC.wa.gov.  
(360) 725-7002

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of: )  
)  
NATIONAL STATES INSUR. CO. )  
)  
An Authorized Insurer. )  
\_\_\_\_\_ )

NO. D06-122

**ORDER TERMINATING  
PROCEEDING**

**TO:** Patricia I. Curran, CFO  
National States Insurance Co.  
1830 Craig Park Court  
St. Louis, Mo 63146

**COPY TO:** Mike Kreidler, Insurance Commissioner  
Michael G. Watson, Chief Deputy Insurance Commissioner  
James T. Odiorne, Deputy Commissioner, Company Supervision  
Carol Sureau, Deputy Commissioner, Legal Affairs  
Marcia G. Stickler, Staff Attorney, Legal Affairs  
P.O. Box 40255  
Olympia, Washington 98504-0255

On March 14, 2006, the Insurance Commissioner (Commissioner) received a request for hearing from National States Insurance Company (National States). National States objected to the Insurance Commissioner's February 27, 2006 letter enclosing proposed Consent Order Imposing a Fine, No. D06-122, for failure to timely file the signature accompanying its State of Actuarial Opinion.



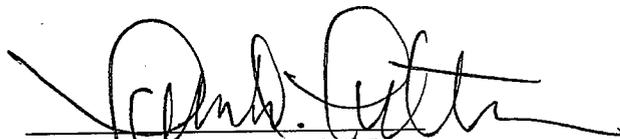
ORDER TERMINATING PROCEEDING  
NO. D06-122  
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On May 5, 2006 this matter was held before Chief Hearing Officer Patricia Petersen. Before a Final Order was entered, however, on August 23, 2006, a Revised Consent Order Imposing a Fine was fully executed and entered resolving the pending issue thereby making the Final Order unnecessary and the matter before the undersigned moot. A copy of the Revised Consent Order Imposing a Fine is attached hereto and is by this reference incorporated herein.

Based upon the above activity:

**IT IS HEREBY ORDERED** that this proceeding, Docket No. D06-122, is hereby terminated.

ENTERED this 17<sup>th</sup> day of September, 2006, at Tumwater, Washington.

A handwritten signature in black ink, appearing to read 'Patricia D. Petersen', written over a horizontal line.

PATRICIA D. PETERSEN  
Chief Hearing Officer



49.00 08/21/06 \$1,081.00 ✓

OFFICE OF  
INSURANCE COMMISSIONER

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In the Matter of )  
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NATIONAL STATES )  
INSURANCE COMPANY, )  
)  
)  
An Authorized Insurer )  
)  
\_\_\_\_\_ )

Order No. D06-~~X~~223 <sup>122-WB</sup>  
REVISED  
CONSENT ORDER  
IMPOSING A FINE  
*MB*  
*8-23-06*

Findings of Fact:

1. National States Insurance Company ("National States") is authorized to conduct insurance business in Washington State. It issues property, casualty, and surety insurance.
2. Revised Code of Washington § 48.05.250 requires every insurer to file an annual statement for the previous calendar year with the Office of the Insurance Commissioner ("OIC") by February 28 of the following year.
3. Washington Administrative Code § 284-07-060 requires that, as part of the annual statement, a Statement of Actuarial Opinion ("SAO") be submitted by February 28 of the following year, as well.
4. National States violated Revised Code of Washington § 48.05.250 by failing to file its year 2004 Statement of Actuarial Opinion, a required component of its Annual Statement, by the statutory due date of February 28, 2005. In late April 2005, the OIC sent a notice to National States, reminding it of this filing requirement. To date, no response has been received by the OIC.

Conclusions of Law:

1. National States' failure to timely file its calendar year 2004 Statement of Actuarial Opinion constitutes a violation of RCW 48.05.250(1) and WAC 284-07-060(2).
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

National States consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. Within thirty days of the entry of this Order, National States will pay to the Insurance Commissioner a fine in the amount of \$1,000 (one thousand dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by National States in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 14<sup>th</sup> day of August, 2006.

NATIONAL STATES INSURANCE COMPANY

By: Patricia I. Curran

Printed Name: Patricia I. Curran

Printed Corporate Title: CEO

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

Order:

1. National States Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$1,000 (one thousand dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 23<sup>d</sup> day of August, 2006

MIKE KREIDLER  
Insurance Commissioner

By: Marcia G. Stickler  
Marcia G. Stickler  
Legal Affairs Division