

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 18th day of Sept. 2006 at Tumwater, Washington.

Signed: Wendy Galloway

OFFICE OF
INSURANCE COMMISSIONER

HEARINGS UNIT
Fax: (360) 664-2782

2006 SEP 18 A 9:53

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

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

Wendy Galloway
Paralegal
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(360) 725-7002

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)

SIERRA HEALTH AND LIFE)
INSURANCE COMPANY, INC.)

An Authorized Insurer.)

NO. D06-123

ORDER TERMINATING
PROCEEDING

TO: Frank Collins, Chairman and Secretary
Sierra Health & Life Insurance Co., Inc.
P.O. Box 15645
Las Vegas, Nevada 89114-5645

Melvin N. Sorensen, Esq.
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, Washington 98104-7010

AND TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Marcia G. Stickler, Staff Attorney, Legal Affairs Division
James T. Odiorne, Deputy Commissioner, Company Supervision
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

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Page 2

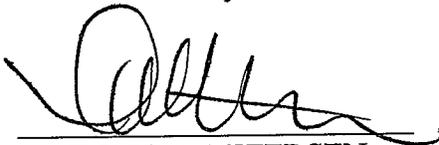
On May 11, 2006, Sierra Health and Life Insurance Company, Inc., (Sierra), by and through Melvin Sorensen, Esquire of Carney Badley Spellman, P.S., of Seattle, filed a Request for Hearing and that a recommended decision be first entered by an administrative law judge from the Office of Administrative Hearings. Sierra's request for hearing objected to the Insurance Commissioner's (OIC) February 27, 2006 proposed Consent Order No. D06-123 and the OIC's actions associated with that order. On May 12, 2006, this matter was transferred to the Office of Administrative Hearings for review. The Insurance Commissioner appeared pro se by and through Marcia Stickler, Staff Attorney for Legal Affairs.

A prehearing conference was held on June 29, 2006, wherein a second prehearing conference was scheduled to commence on July 25, 2006, and Sierra's Motion to Dismiss was scheduled to commence on August 29, 2006. On July 21, 2006, Sierra, by and through its counsel, Melvin Sorensen, withdrew its Request for Hearing advising Administrative Law Judge F. Neil Gorrell that an agreement had been reached and the matter settled. On July 24, 2006, ALJ Gorrell entered an Initial Order Dismissing Proceeding Due to Withdrawal and striking the scheduled hearings. Accordingly, the hearings file was transferred to the undersigned to enter a Final Order. On September 11, 2006, a fully executed Revised Consent Order Imposing a Fine was entered and is attached hereto and is by this reference incorporated herein.

Based upon the above activity:

IT IS HEREBY ORDERED that this proceeding, Docket No. D06-123, is hereby terminated.

ENTERED this 15th day of September, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN
Chief Hearing Officer



OFFICE OF
INSURANCE COMMISSIONER

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Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of)	Order No. D06-123
)	
SIERRA HEALTH AND LIFE)	REVISED
INSURANCE CO., INC.)	CONSENT ORDER
)	IMPOSING A FINE
)	

Findings of Fact:

1. Sierra Health and Life Insurance Co., Inc. ("SHL") is authorized to conduct life and disability insurance business in the State of Washington.
2. On February 28, 2005, SHL sent a paper copy of its calendar year 2004 Statement of Actuarial Opinion to the Office of the Insurance Commissioner ("OIC"). On April 26, 2005, the OIC sent a notice to SHL, reminding it of the requirement for electronic filing, and specifically listing the SAO as a "Filing Outstanding" that needed to be filed electronically. SHL responded on April 28, 2005 by sending the OIC a second paper copy of the SAO.

Conclusions of Law:

1. SHL's failure to electronically 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:

SHL 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. SHL consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.
2. Within thirty days of the entry of this Order, SHL will pay to the Insurance Commissioner a fine in the amount of \$875 (eight hundred seventy five 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 SHL 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 8th day of September, 2006.

SIERRA HEALTH AND LIFE INSURANCE CO., INC.

By: Frank Collins

Printed Name: Frank Collins

Printed Corporate Title: Chairman + Secretary

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

Order:

1. Sierra Health and Life Insurance Co., Inc. is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$875 (eight hundred seventy five 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 11th day of September 2006

MIKE KREIDLER
Insurance Commissioner

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