

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 below
DATED this 25th day of July, 2006 at Tumwater, Washington.

Signed: Wendy Galloway

OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT

Fax: (360) 664-2782

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Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

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

Wendy Galloway
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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)
)
AMERICAN MEDICAL & LIFE)
INSURANCE COMPANY,)
)
An Authorized Insurer.)

NO. D06-124
ORDER TERMINATING
PROCEEDING

TO: Thomas J. Force, General Counsel
American Medical and Life Insurance Company
35 Broadway
Hicksville, New York 11801

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 16, 2006, American Medical and Life Insurance Company, (American Medical), by and through Thomas J. Force, General Counsel, requested a hearing on March 15, 2006 in the above captioned matter. American Medical's request objected to the Insurance Commissioner's (OIC) Proposed Notice of Intent to Suspended Certificate of Authority No. 2010 and Fine imposed along with OIC's cover letter dated February



ORDER TERMINATING PROCEEDING

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27, 2006, and sought review of this action. Marcia Stickler, Staff Attorney for Legal Affairs, appeared representing the OIC.

Accordingly a prehearing conference was held by telephone on Wednesday, March 29, 2006. Thomas J. Force, General Counsel for American Medical, represented American Medical. The Commissioner was represented by Marcia Stickler, Staff Attorney for Legal Affairs. During said prehearing conference, the undersigned reviewed administrative procedures and addressed all questions and concerns of the parties. A hearing date was scheduled to commence on May 8, 2006 at the hour of 9:00 a.m., PST, by telephone.

At the scheduled hearing on May 8, 2006, American Medical stated that the matter has been resolved and that it wished to withdraw its request for hearing. Following the hearing, American Medical filed a letter dated July 7, 2006, advising that the parties had settled the matter and therefore American Medical was withdrawing its request for hearing. Said settlement document, Consent Order Imposing a Fine, No. D06-124, was filed with the undersigned and a copy of the referenced Consent Order is attached hereto and is by this reference incorporated herein.

Based upon the above activity:

IT IS HEREBY ORDERED that this proceeding, Docket No. D06-124, is terminated.

ENTERED this 25th day of July, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN
Chief Hearing Officer



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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)

Order No. D06-124

AMERICAN MEDICAL AND)
LIFE INSURANCE COMPANY)

CONSENT ORDER
IMPOSING A FINE

Findings of Fact:

1. American Medical and Life Insurance Company ("American Medical") is authorized to conduct insurance business in Washington State. It issues property and casualty 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. American Medical violated Revised Code of Washington § 48.05.250 and Washington Administrative Code § 284-07-050(2) by failing to file its year 2004 April Supplemental filing, including Management's Discussion and Analysis, Insurance Expense Exhibit, and Supplemental Risk Interrogatories, by the April 1, 2005 due date. The April Supplemental filing is a required annual statement supplement per the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions*. The Washington Office of the Insurance Commissioner ("OIC") also posts Annual Statement Filing Instructions on its website that indicate that this filing is due by April 1 of the following calendar year.
3. On April 26, 2005, the OIC sent a letter to American Medical, reminding it of this filing discrepancy. No response has been received by OIC to date.

Conclusions of Law:

1. American Medical's failure to timely file its calendar year 2004 April Supplemental filing constitutes a violation of RCW 48.05.250(1) and WAC 284-07-050(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:

American Medical 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. American Medical 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, American Medical will pay to the Insurance Commissioner a fine in the amount of \$5,000 (five 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 American Medical 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 16th day of May, 2006.

AMERICAN MEDICAL AND LIFE INSURANCE COMPANY

By: Thomas J. Force

Printed Name: Thomas J. Force

Printed Corporate Title: VP - General Counsel

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

Order:

1. American Medical and Life Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$5,000 (five 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 23rd day of May, 2006

MIKE KREIDLER
Insurance Commissioner

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