

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 Sept. 2006
at Tumwater, Washington.

2006 SEP 12 A 9:44

OFFICE OF
INSURANCE COMMISSIONER

Signed: W. Galloway

HEARINGS UNIT
Fax: (360) 664-2782

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:)	
)	NO. D06-150
WESTERN GENERAL INSURANCE)	
COMPANY,)	ORDER TERMINATING
)	PROCEEDING
An Authorized Insurer.)	
_____)	

TO: Marc O'Connell, Vice President of Regulatory Affairs
Western General Insurance Company
5230 Las Virgenes Road
Calabasas, California 91302

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



ORDER TERMINATING PROCEEDING

NO. D06-150

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On May 11, 2006, Western General Insurance Company (Western General), by and through Melvin Sorensen, Esquire of Carney Badley Spellman in Seattle, Washington, filed a request for hearing and that this matter be presided over by an administrative law judge in the above captioned matter. On May 12, 2006, this matter was transferred to the Office of Administrative Hearings for review. Western General's request for hearing objected to the Insurance Commissioner's (OIC) February 28, 2006 Notice of Intent to Suspend Certificate of Authority No. 2199 in proposed Consent Order No. D06-150. The Insurance Commissioner appeared pro se by and through Marcia Stickler, Staff Attorney for Legal Affairs.

Prior to a hearing being scheduled, Western General, by and through its attorney, Mel Sorensen, advised the Office of Administrative Hearings that the pending appeal had been resolved and withdrew their request for hearing. On July 14, 2006, Lisa Marsh, Administrative Law Judge, entered an Order Dismissing Proceedings Due to Withdrawal and transferred the file to the undersigned to enter a Final Order. On August 24, 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. D06-150, is hereby terminated.

ENTERED this 1/26 day of September, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN
Chief Hearing Officer



4929 8/21/06 \$ 875.00

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. D06-150
)	
WESTERN GENERAL)	REVISED
INSURANCE COMPANY,)	CONSENT ORDER
)	IMPOSING A FINE
An Authorized Insurer)	

Findings of Fact:

1. Western General Insurance Company ("Western General") 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. Western General 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 Western General Insurance Company, reminding it of this filing requirement. To date, no response has been received by the OIC.

Conclusions of Law:

1. Western General's 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:

Western General Insurance Company 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. Western General Insurance Company 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, Western General Insurance Company 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 Western General Insurance Company 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 August, 2006.

WESTERN GENERAL INSURANCE COMPANY

By: 

Printed Name: Daniel Mallat

Printed Corporate Title: Executive Vice President - General Counsel

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

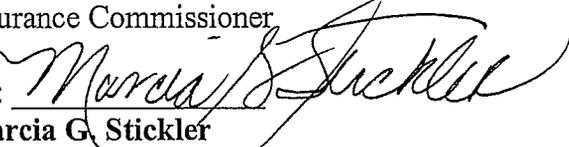
Order:

1. Western General Insurance Company 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 29th day of August, 2006

MIKE KREIDLER
Insurance Commissioner

By: 
Marcia G. Stickler
Legal Affairs Division