

MIKE KREIDLER
STATE IN DEPARTMENT 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 3rd day of Nov. 2006 at Tumwater, Washington.

Signed: W. Galloway



OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

FILED

2006 NOV -3 P 2: 33

Patricia D. Petersen
Chief Hearing Officer
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Hearings Unit, DIC
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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)	
)	No. D06-159
EMPLOYERS REINSURANCE)	
CORPORATION,)	FINAL ORDER TERMINATING
)	PROCEEDING
An Authorized Insurer.)	

To: Gregory F. Mischlich, Senior Counsel
GE Insurance Solutions/Employers Reinsurance Corporation
5200 Metcalf Avenue
Overland Park, Kansas 66201

Copy To: Mike Kreidler, Insurance Commissioner
Mike Watson, Chief Deputy Commissioner
Jim Odiorne, Deputy Commissioner for Company Supervision
Carol Sureau, Deputy Commissioner, Legal Affairs
Marcia Stickler, Staff Attorney, Legal Affairs
Post Office Box 40255
Olympia, Washington 98504-0255

On April 27, 2006, Employers Reinsurance Corporation (Employers), by and through Gregory Mischlich, Senior Counsel and Assistant Secretary, filed a Request for Hearing. On April 28, 2006, Employers requested that a recommended decision first be entered by an administrative law judge from the Office of Administrative Hearings. Employer's request for hearing objected to the Insurance Commissioner's (OIC) March 16, 2006 Consent Order No. D06-159 and the OIC's actions associated with that order. On May 4 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.



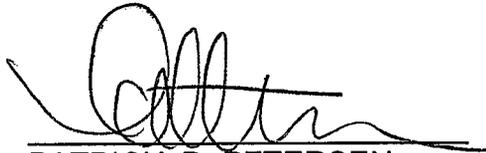
FINAL ORDER TERMINATING PROCEEDING
NO. D06-159
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A prehearing conference was held on July 7, 2006, wherein a hearing date was scheduled to commence on August 17, 2006. Prior to the August 17, 2006 hearing, a settlement was reached wherein a Revised Consent Order Imposing a Fine was agreed to. The Revised Consent Order was fully executed on August 25, 2006 and August 30, 2006, and is attached hereto and is by this reference incorporated herein. On October 30, 2006, an Initial Order Dismissing Proceeding Due to Withdrawal was entered by Adam Torem, Administrative law Judge. Accordingly, the hearings file was transferred to the undersigned to enter a Final Order.

Based upon the above activity:

IT IS HEREBY ORDERED that this proceeding, Docket No. D06-159, is hereby terminated.

ENTERED this 3rd day of November, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN
Chief Hearing Officer



OFFICE OF
INSURANCE COMMISSIONER

FILED

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Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of)	No. D06-159
)	
EMPLOYERS REINSURANCE)	REVISED
CORPORATION)	CONSENT ORDER
)	IMPOSING A FINE
)	

Findings of Fact:

1. Employers Reinsurance Corporation ("Employers Reinsurance") is authorized to conduct insurance business in Washington State. It issues disability, property, marine transportation, vehicle, surety 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.
3. 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. WAC 284-07-050 requires adherence to these filing instructions.
4. WAC 284-07-120 requires that insurers submit to the OIC an annual audited financial statement for the previous calendar year on or before June 1 of the following year.
5. Employers Reinsurance filed its calendar year 2004 Annual Statement and its 2004 Audited Financial Statement, without the required signature, on August 30, 2005. To date, Employers Reinsurance has failed to submit its 2004 April Supplemental filing.

Conclusions of Law:

1. Employers Reinsurance's failure to timely file its calendar year 2004 Annual Statement, 2004 April Supplemental filing, and complete 2004 Audited Financial Statement constitutes one



violation of RCW 48.05.250(1), one violation of WAC 284-07-050, and one violation of WAC 284-07-120.

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:

Employers Reinsurance 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. Employers Reinsurance 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.
2. Within thirty days of the entry of this Order, Employers Reinsurance will pay to the Insurance Commissioner a fine in the amount of \$2,500 (two thousand five hundred 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 Employers Reinsurance 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 25 day of August, 2006.

EMPLOYERS REINSURANCE CORPORATION

By: 

Printed Name: DAVID NEWKIRK
Printed Corporate Title: VICE PRESIDENT

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

Order:

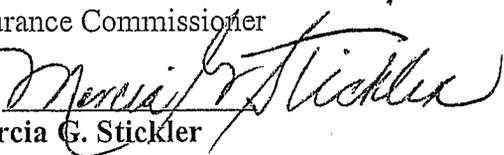
1. Employers Reinsurance Corporation is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$2,500 (two thousand five hundred dollars).
2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the 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 30th day of August, 2006

MIKE KREIDLER
Insurance Commissioner

By:


Marcia G. Stickler
Legal Affairs Division