

STATE OF WASHINGTON

Phone: (360) 725-7000

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER



OFFICE OF  
INSURANCE COMMISSIONER  
HEARINGS UNIT

Fax: (360) 664-2782

FILED

2006 MAY 31 P 3:24

**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 31<sup>st</sup> day of May, 2006,  
at Tumwater, Washington.

Signed: Wendy Galloway

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

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer  
Wendy Galloway  
Administrative Assistant  
(360) 725-7002  
[wendyg@oic.wa.gov](mailto:wendyg@oic.wa.gov)

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of: )

**CATHOLIC ORDER OF  
FORESTERS,** )

An Authorized Insurer. )

NO. D06-161

ORDER TERMINATING  
PROCEEDING

To: Catholic Order of Foresters  
355 Schuman Boulevard  
P.O. Box 3012  
Naperville, IL 60566-7012

Christopher T. Nowotarski, Esq.  
Stone, Poggrund & Korey  
221 North LaSalle Street, 32<sup>nd</sup> Floor  
Chicago, Illinois 60601

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



ORDER TERMINATING PROCEEDING

NO. D06-161

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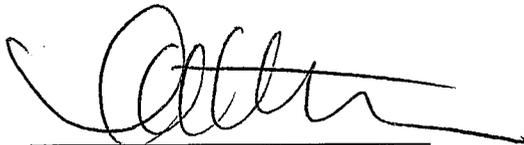
On May 2, 2006, Catholic Order of Foresters (COF), by and through Christopher T. Nowotarski, filed a letter dated April 12, 2006 requesting a hearing in the above captioned matter. COF's request objected to the Insurance Commissioner's (OIC) March 6, 2006 Notice of Intent with accompanying proposed Consent Order Imposing a Fine, and sought review of this action. Marcia Stickler, Staff Attorney for Legal Affairs, appeared representing the OIC.

On May 15, 2006, COF filed a letter dated May 10, 2006 advising that COF had resolved the pending issue and were therefore withdrawing its request for hearing. On May 16, 2006, COF filed a Consent Order Imposing a Fine executed by both parties, and the OIC filed its executed Order Vacating Order Suspending Certificate of Authority Nunc Pro Tunc. Copies of the referenced Consent Order and Order Vacating are attached hereto and are by this reference incorporated herein.

Based upon the above activity:

**IT IS HEREBY ORDERED** that this proceeding, Docket No. D06-161, is terminated.

ENTERED this 31<sup>st</sup> day of May, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN  
Chief Hearing Officer



OFFICE OF  
INSURANCE COMMISSIONER

3702 05/11/05 \$17,700.00

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2006 MAY 16 P 3:21

In the Matter of

CATHOLIC ORDER OF FORESTERS

No. D06-161

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

CONSENT ORDER  
IMPOSING A FINE

Findings of Fact:

1. Catholic Order of Foresters is a fraternal benefit society authorized to conduct insurance business in Washington State. It issues life insurance.
2. Revised Code of Washington ("RCW") § 48.36A.260 requires every fraternal benefit society transacting business in this state to file an annual statement in conformity with NAIC guidelines by March 1 of the following calendar year. The OIC may fine a fraternal benefit society \$100 per day for the period of time that the Annual Statement remains unfilled.
3. RCW 48.36A.263 requires fraternal benefit societies to comply with the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions* regarding filing of financial statements. The Washington Administrative Code ("WAC") § 284-07-050 requires adherence to these filing instructions. The April Supplemental filing is due to the OIC on April 1 of the following year.
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. RCW 48.36A.310(1)(b) permits the Commissioner to revoke or suspend the license of a fraternal benefit society for violation of Chapter 48.36A RCW.
6. Catholic Order of Foresters filed its calendar year 2004 Annual Statement with the OIC on August 25, 2005, 177 days late.
7. Catholic Order of Foresters filed its 2004 Audited Financial Statement, without the required signature, with the OIC on July 5, 2005.
8. To date, Catholic Order of Foresters has failed to file a complete 2004 Audited Financial Statement or its 2004 April Supplemental filing with the OIC.

Conclusion of Law:

Catholic Order of Foresters' failure to timely file its calendar year 2004 Annual Statement, 2004 April Supplemental filing, and signatures for its 2004 Audited Financial Statement with the OIC

constitutes one violation of RCW 48.36A.260, one violation of RCW 48.36A.263, and one violation of WAC 284-07-120.

Consent to Order:

Catholic Order of Foresters 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 fraternal benefit society's payment of a fine as set forth below.

1. Catholic Order of Foresters 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, Catholic Order of Foresters will pay to the Insurance Commissioner a fine in the amount of \$17,700 (seventeen thousand seven 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 license held by Catholic Order of Foresters 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 10th day of May, 2006.

CATHOLIC ORDER OF FORESTERS

By: David E. Huber

Printed Name: David E. Huber

Printed Corporate Title: President/High Chief Ranger

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

Order:

1. Catholic Order of Foresters is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$17,700 (seventeen thousand seven hundred dollars).
2. Failure to pay the fine timely and in full will constitute grounds for revocation of the license held by the fraternal benefit society 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 16<sup>th</sup> day of May, 2006

MIKE KREIDLER  
Insurance Commissioner

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

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000



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OFFICE OF  
INSURANCE COMMISSIONER

2006 MAY 16 P 3:21

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

|                                      |   |                          |
|--------------------------------------|---|--------------------------|
| In the Matter of:                    | ) | NO. D06-161              |
|                                      | ) |                          |
| CATHOLIC ORDER OF FORESTERS,         | ) |                          |
|                                      | ) |                          |
|                                      | ) | ORDER VACATING           |
|                                      | ) | ORDER SUSPENDING         |
|                                      | ) | CERTIFICATE OF AUTHORITY |
| A Licensed Fraternal Benefit Society | ) | NUNC PRO TUNC            |

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FINDINGS OF FACT

1. Catholic Order of Foresters is licensed to conduct insurance business in Washington State. It issues life insurance.
2. On April 13, 2006, the Office of the Insurance Commissioner ("OIC") issued an Order Suspending License to Catholic Order of Foresters, effective that same day, for its failure to timely file its 2004 Annual Statement, 2004 April Supplemental financial statement, and 2004 Audited Financial Statement.
3. Catholic order of Foresters executed a Consent Order and submitted a fine to the OIC in May, 2006 as a result of such late 2004 filings.

CONCLUSIONS OF LAW

1. Catholic Order of Foresters' failure to timely file its calendar year 2004 financial statements was properly resolved with OIC by its entering into a Consent Order and paying a fine.
2. There is no basis for suspension of Catholic Order of Foresters license, as the matter of the late 2004 filing has been resolved.

ORDER:

NOW, THEREFORE, IT IS HEREBY ORDERED as follow:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby vacates its previously issued Order Suspending License of Catholic Order of Foresters. The Order Suspending

OFFICE OF INSURANCE COMMISSIONER

License 4, entered April 13, 2006, is hereby vacated and rescinded in its entirety, *nunc pro tunc*.

ENTERED AT TUMWATER, WASHINGTON on this 11<sup>th</sup> day of May, 2006.

Mike Kreidler  
Insurance Commissioner

By



Marcia G. Stickler  
Staff Attorney, Legal Affairs