

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 11th day of September 2006 at Tumwater, Washington.

2006 SEP 11 P 12:15

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:

QUANTA INDEMNITY COMPANY,

An Authorized Insurer.

)  
) NO. D06-165

)  
) ORDER TERMINATING  
) PROCEEDING

TO: John Carr, Tax Director  
Quanta U.S. Holdings Inc.  
10 Rockefeller Plaza, 3<sup>rd</sup> Floor  
New York, NY 10020

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 29, 2006, Quanta Indemnity Company (Quanta), by and through John Carr, Tax Director for Quanta, filed a request for hearing in the above captioned matter. Quanta's request objected to the Insurance Commissioner's (OIC) March 16, 2006 letter and Proposed Consent Order Imposing a Fine. The Insurance Commissioner appeared pro se by and through Marcia Stickler, Staff Attorney for Legal Affairs.



ORDER TERMINATING PROCEEDING

NO. D06-165

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On June 5, 2006 this matter was held before Chief Hearing Officer Patricia Petersen. Prior to entry of a Final Order, however, on September 5, 2006, a Revised Consent Order Imposing a Fine was fully executed and entered resolving the pending issue thereby making the Final Order unnecessary and the matter before the undersigned moot. A copy of the Revised Consent Order Imposing a Fine is attached hereto and is by this reference incorporated herein.

Based upon the above activity:

**IT IS HEREBY ORDERED** that this proceeding, Docket No. D06-165, is hereby terminated.

ENTERED this 1<sup>st</sup> day of September, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN  
Chief Hearing Officer



2007 08/29/05 11:51 AM ✓

OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. D06-165
	)	
QUANTA INDEMNITY	)	REVISED
COMPANY,	)	CONSENT ORDER
	)	IMPOSING A FINE
An Authorized Insurer	)	
	)	

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Findings of Fact:

1. Quanta Indemnity Company ("Quanta") 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. WAC 284-07-060 requires that a Statement of Actuarial Opinion accompany the Annual Statement.
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. Quanta filed its calendar year 2004 Annual Statement on August 23, 2005. Its Statement of Actuarial Opinion was filed on August 30, 2005. Quanta's April supplemental filing was completed on April 13, 2005. Quanta's Audited Financial Statement was filed with the OIC on July 7, 2005.

Conclusions of Law:

1. Quanta's failure to timely file its calendar year 2004 Annual Statement with accompanying Statement of Actuarial Opinion, 2004 April Supplemental filing, and 2004

Audited Financial Statement constitutes two violations of RCW 48.05.250(1), one violation of WAC 284-07-060, 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:

Quanta 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. Quanta 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, Quanta will pay to the Insurance Commissioner a fine in the amount of \$1,750 (one thousand seven hundred fifty 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 Quanta 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 15 day of August, 2006.

QUANTA INDEMNITY COMPANY

By: John Carr

Printed Name: John Carr

Printed Corporate Title: VP

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

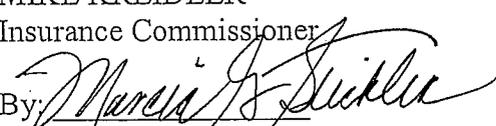
Order:

1. Quanta Indemnity Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$1,750 (one thousand seven hundred fifty 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 5<sup>th</sup> day of September, 2006

MIKE KREIDLER  
Insurance Commissioner

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