

STATE OF WASHINGTON

Phone: (360) 725-7000

MIKE KREIDLER
STATE INSURANCE COMMISSIONER



OFFICE OF
INSURANCE COMMISSIONER

FILED

2006 SEP 12 A 9:33

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.

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:)	
)	D06-166
FIRST HEALTH LIFE & HEALTH)	
INSURANCE COMPANY,)	ORDER TERMINATING
)	PROCEEDING
An Authorized Insurer.)	
)	

TO: Kristin Comer Belyew, Esq.
First Health Life & Health Insurance Company
3200 Highland Avenue, 4th Floor Legal Department
Downers Grove, IL 60515

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
James T. Odiome, Deputy Commissioner, Company Supervision
Carol Sureau, Deputy Commissioner, Legal Affairs
Marcia Stickler, Staff Attorney, Legal Affairs
P.O. Box 40255
Olympia, Washington 98504-0255

On May 24, 2006, First Health Life and Health Insurance Company (First Health) by and through Kristin Comer Belyew, Esquire, filed a request for hearing in the above captioned matter. First Health appeals the act of the Commissioner in offering to First Health the proposed Consent Order Imposing a Fine for First Health's agreement to



ORDER TERMINATING PROCEEDING
NO. D06-166
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settlement conditions for alleged violations stated therein, along with the statement in his accompanying March 16, 2006 letter. The Insurance Commissioner appeared pro se by and through Marcia Stickler, Staff Attorney for Legal Affairs.

On August 21, 2006, a request to withdraw hearing was filed by First Health, by Kristin Comer Belyew, its Counsel, stating that the parties had resolved the issues in this matter and a Revised Consent Order Imposing a Fine had been executed. A copy of the Request for Withdrawal and the Revised Consent Order Imposing a Fine are attached hereto and are by this reference incorporated herein.

Based upon the above activity:

IT IS HEREBY ORDERED that this proceeding, Docket No. D06-166, is hereby terminated.

ENTERED this 11th day of September, 2006, at Tumwater, Washington.



PATRICIA D. PETERSEN
Chief Hearing Officer



3200 Highland Avenue
Downers Grove, IL 60515
(630) 737-7900
www.firsthealth.com

August 21, 2006

VIA U.S. MAIL

Wendy Galloway
Office of Insurance Commissioner
Hearings Unit
P.O. Box 40255
Olympia, Washington 98504-0255

FILED

AUG 23 2006

**Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer**

**Re: First Health Life & Health Insurance Company Withdrawal of Request for Hearing;
D06-166**

Dear Ms. Galloway:

On behalf of First Health, I withdraw its request for hearing on the fine issued by the Washington State Office of Insurance Commissioner, case # D06-166. First Health has received notice of a reduced fine amount and has consented to that reduced amount. Marcia Stickler should be in possession of the signed consent order and payment for the fine.

Please contact me at (630) 737-8132 or kristincomerbelyew@firsthealth.com if you have any questions or concerns regarding this matter.

Sincerely,


Kristin Comer Belyew, Esq.



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\$1,825.00 ✓

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. D06-166
)	
FIRST HEALTH)	REVISED
LIFE AND HEALTH)	CONSENT ORDER
INSURANCE COMPANY)	IMPOSING A FINE
)	

Findings of Fact:

1. First Health Life and Health Insurance Company ("First Health Life") is authorized to conduct insurance business in Washington State. It issues life and disability 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. AC 284-07-050 requires adherence to these filing instructions.
4. First Health Life filed its calendar year 2004 Annual Statement and April supplemental filing on August 30, 2005.

Conclusions of Law:

1. First Health Life's failure to timely file its calendar year 2004 Annual Statement and 2004 April Supplemental filing constitutes two violations of RCW 48.05.250.
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:

First Health Life 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. First Health Life 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



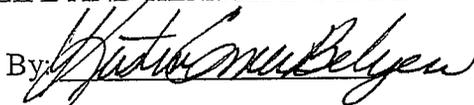
the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, First Health Life will pay to the Insurance Commissioner a fine in the amount of \$1,625 (one thousand six hundred twenty 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 First Health Life 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 15th day of August, 2006.

FIRST HEALTH LIFE AND HEALTH INSURANCE COMPANY

By: 

Printed Name: KRISTIN COMER BELYEW, ESQ

Printed Corporate Title: CORPORATE COUNSEL

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

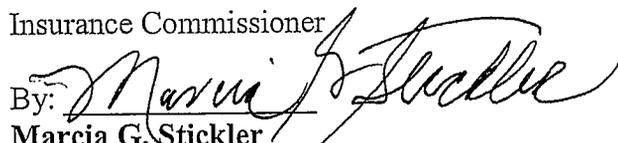
Order:

1. First Health Life and Health Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$1,625 (one thousand six hundred twenty 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 24th day of August, 2006

MIKE KREIDLER
Insurance Commissioner

By: 
Marcia G. Stickler
Legal Affairs Division