MIKE KREIDLER
STATE INSURANCE COMMISSIONER

DECLARATION OF MAILING
I declare under penalty of perjury under the laws of the State of Washington that on the date [illegible] below, I mailed or caused deli[illegible] of a true copy of this document to parties listed below
DATED this 28th day of Nov. 2006.
at Tumwater, Washington.
Signed: Wendy Holloway

STATE OF WASHINGTON

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

Phone: (360) 725-7000

FILED

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Hearings Unit, OIC
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Chief Hearing Officer

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Wendy Galloway
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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:	)	
	)	No. D06-207
INDEPENDENCE LIFE AND ANNUITY COMPANY,	)	
	)	FINAL ORDER TERMINATING PROCEEDING
An Authorized Insurer.	)	

To: Christopher L. Keenan, Counsel
Sun Life Financial
One Sun Life Executive Park, SC 1335
Wellesley Hills, MA 02481

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 June 15, 2006, Independence Life and Annuity Company (Independence Life), by and through Christopher L. Keenan, U.S. Law Department of Sun Life Financial, requested a hearing and that a recommended decision first be entered by an administrative law judge from the Office of Administrative Hearings. Independence Life's request for hearing objected to the Insurance Commissioner's (OIC) May 23, 2006 Consent Order Imposing a Fine, No. D06-207 and the OIC's actions associated with that order. On June 15, 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.

Prior to any hearings, a settlement was reached and on August 28, 2006, and September 5, 2006, a Revised Consent Order Imposing a Fine was fully executed. A copy of the order is attached hereto and is by this reference incorporated herein. On September 14, 2006, a faxed memo was received from Lynn M. Kelley of Sun Life Financial stating that the company no longer requires a hearing. On October 30, 2006, an Initial Order Dismissing Proceeding Due to Withdrawal was entered by Selwyn S.C. Walters, Senior Administrative Law Judge of the Office of Administrative Hearings. 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. D06-207 is hereby terminated.

ENTERED this 28th day of November, 2006, at Tumwater, Washington.

PATRICIA D. PETERSEN
Chief Hearing Officer

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000

OFFICE OF
INSURANCE COMMISSIONER

FILED

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Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of INDEPENDENCE LIFE AND ANNUITY COMPANY, An Authorized Insurer	)	No. D06-207 REVISED CONSENT ORDER IMPOSING A FINE

Findings of Fact:

1. Independence Life and Annuity Company ("Independence Life") is authorized to conduct insurance business in Washington State. It issues life and disability insurance.

2. Independence Life completed filing its calendar year 2005 Annual Statement and its 2005 April Supplemental filing on April 28, 2006.

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.

Conclusions of Law:

1. Independence Life's failure to timely file its calendar year 2005 Annual Statement and 2005 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:

Independence 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. Independence 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

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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, Independence Life will pay to the Insurance Commissioner a fine in the amount of $1,125 (one thousand one 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 Independence 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 28th day of August, 2006.

INDEPENDENCE LIFE AND ANNUITY COMPANY

By: Lynn Kelley

Printed Name: Lynn M. Kelley

Printed Corporate Title: Assistant Vice President, Finance

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

Order:

1. Independence Life and Annuity Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of $1,125 (one thousand one 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 Independence Life and Annuity 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 5th day of September 2006

MIKE KREIDLER
Insurance Commissioner

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