STATE OF WASHINGTON

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

Phone: (360) 725-7000

DECLARATION OF MAILING
MIKE KREIDLER
STATE INSURANCE COMMISSIONER
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 October 2006 at Tumwater, Washington.
Signed: W. Galloway

FILED

2006 OCT 12 A 11:03

Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

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

Wendy Galloway
Paralegal
(360) 725-7002
wendyg@oic.wa.gov

STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of: **THE GRAY INSURANCE COMPANY,** An Authorized Insurer.	**NO. D06-210** **ORDER TERMINATING PROCEEDING**

TO: Eric S. Berger, Executive Vice President
The Gray Insurance Company
3601 N. I-10 Service Road West
Metairie, Louisiana 70002

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 June 8, 2006, the Gray Insurance Company (Gray Insurance) by and through Eric Berger, Executive Vice President, filed a request for hearing in the above captioned matter. Gray Insurance appeals the act of the Commissioner in offering to Gray Insurance a Consent Order Imposing a Fine for Gray Insurance's agreement to settlement conditions for alleged violations stated therein, along with the statement in his accompanying May 23, 2006 letter. The Insurance Commissioner appeared pro se by and through Marcia Stickler, Staff Attorney for Legal Affairs.

On September 20, 2006 and September 28, 2006, a Second Revised Consent Order Imposing a Fine had been executed. On September 25, 2006 a Request to Withdraw Hearing was filed by Eric Berger, Executive Vice President for Gray Insurance. A copy of Gray Insurance's Request

for Withdrawal and the Second 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. D06-210, is hereby terminated.

ENTERED this 12th day of October, 2006, at Tumwater, Washington.

PATRICIA D. PETERSEN
Chief Hearing Officer

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000

7958 09/26/06 $1,375.00

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of THE GRAY INSURANCE COMPANY, An Authorized Insurer	No. D06-210 SECOND REVISED CONSENT ORDER IMPOSING A FINE

Findings of Fact:

1. The Gray Insurance Company ("Gray") is authorized to conduct insurance business in Washington State. It issues property, vehicle, marine transportation, casualty and surety insurance.

2. Gray made timely efforts to electronically file its calendar year 2005 Annual Statement and Statement of Actuarial Opinion with the Office of the Insurance Commissioner ("OIC").

3. Notwithstanding, Gray was unable to complete the electronic filing of its 2005 Annual Statement and Statement of Actuarial Opinion by the February 28, 2006 deadline.

Conclusions of Law:

1. Gray's failure to timely complete the filing of its calendar year 2005 Annual Statement and Statement of Actuarial Opinion constitutes one violation of RCW 48.05.250 and one violation of WAC 284-07-060.

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:

Gray 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. Gray 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.

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

2. Within thirty days of the entry of this Order, Gray will pay to the Insurance Commissioner a fine in the amount of $1,375 (one thousand three hundred seventy 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 Gray 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 20th day of SEPTEMBER, 2006.

THE GRAY INSURANCE COMPANY

By: _____

Printed Name: Eric S. Berger

Printed Corporate Title: Executive Vice President

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

Order:

1. The Gray Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of $1,375 (one thousand three hundred seventy 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 Gray Insurance 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 28th day of Sept., 2006

MIKE KREIDLER
Insurance Commissioner

By: _____
Marcia G. Stickler
Legal Affairs Division

THE GRAY INSURANCE COMPANY
3601 N. I-10 SERVICE RD. W.

TELEPHONE 504-888-7790 ★ ★ METAIRIE, LOUISIANA 70002

FILED
2006 SEP 28 A 9: 50
Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

September 25, 2006

Ms. Wendy Galloway
Office of Insurance Commissioner Hearing Unit
State of Washington
P.O. Box 40255
Olympia, WA 98504 -- 0255

Re: The Gray Insurance Company
Withdrawal Of Hearing Request

Dear Wendy:

Please accept this correspondence as formal notice of The Gray Insurance Company's withdrawl of its demand for a hearing with respect to Consent Order No. D. 06 -- 210.

We thank you very much for your time, attention, and consideration in this matter.

Sincerely,

THE GRAY INSURANCE COMPANY

Eric S. Berger
Executive Vice President

POST OFFICE BOX 6202 • METAIRIE, LOUISIANA 70009-6202
FACSIMILE NO. (504) 888-7785