

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.

Signed: W. Galloway

OFFICE OF
INSURANCE COMMISSIONER

2006 SEP 11 A 11:30

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:

FOUNDERS INSURANCE COMPANY,

An Authorized Insurer.

)
) NO. D06-95

)
) ORDER TERMINATING
) PROCEEDING

TO: Alexander I. Arezina
Founders Insurance Company
1645 E. Birchwood Avenue
Des Plaines, IL 60018

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

On March 15, 2006, Founders Insurance Company (Founders), by and through Alex Arezina, Esquire for Founders, filed a request for hearing in the above captioned matter. Founders' request objected to the Insurance Commissioner's (OIC) March 1, 2006 letter



ORDER TERMINATING PROCEEDING
NO. D06-95
Page 2

enclosing Proposed Consent Order No. D06-95 and the proposed fine amount for failure to timely file the signature accompanying its State of Actuarial Opinion. Marcia Stickler, Staff Attorney for Legal Affairs, appeared representing the OIC.

On May 30, 2006 this matter was held before Administrative Law Judge Adam Torem in which an Initial Decision and Order was entered on July 31, 2006. The file was then forwarded to the undersigned to enter a Final Order. Before a Final Order was entered, however, on August 21, 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. D06-95, is hereby terminated.

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



PATRICIA D. PETERSEN
Chief Hearing Officer



OFFICE OF
INSURANCE COMMISSIONER

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Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of)	No. D 06-95
)	
FOUNDERS INSURANCE)	REVISED
COMPANY,)	CONSENT ORDER
)	IMPOSING A FINE
An Authorized Insurer.)	
_____)	

Findings of Fact:

1. Founders Insurance Company ("Founders") is authorized to conduct insurance business in Washington State.
2. Founders filed the signature accompanying its Statement of Actuarial Opinion with the OIC on April 28, 2005.

Conclusions of Law:

1. The failure of Founders to timely file the signature accompanying its Statement of Actuarial Opinion by the due date of February 28, 2005 constitutes a violation 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.
3. WAC 284-07-060(2)(a) requires an insurer's annual statement be accompanied by a signed Statement of Actuarial Opinion as executed in accordance with the appropriate *Annual Statement Instructions* and *Accounting Practices and Procedures Manuals* promulgated by the National Association of Insurance Commissioners.

Consent to Order:

Founders 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. Founders consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply with all applicable laws and regulations of Washington

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

2. Within thirty days of the entry of this Order, Founders will pay to the Insurance Commissioner a fine in the amount of \$250 (two hundred fifty dollars).
3. If Founders fails to pay the fine in full within thirty days of the entry of this order, this will constitute grounds for the suspension or revocation of the certificate of authority held by Founders 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 16th day of August, 2006

FOUNDERS INSURANCE COMPANY

By: Jane M. Abed

PRINTED NAME: Jane M. Abed
PRINTED CORPORATE TITLE: President

Order:

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

1. Founders Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$250 (two hundred fifty dollars).
2. Failure to timely pay the fine in full will constitute grounds for the suspension or revocation of the certificate of authority held by the insurer in Washington State.
3. 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 21st day of August, 2006

MIKE KREIDLER
Insurance Commissioner

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