

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER



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

FILED

2006 FEB 22 P 2:47

**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 2nd day of Feb. 2006 at Tumwater, Washington.

Signed Wendy Galloway

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

Hearings Unit, DIC  
Patricia D. Petersen  
Wendy Galloway, Hearing Officer  
Administrative Assistant  
(360) 725-7002  
[WendyG@OIC.wa.gov](mailto:WendyG@OIC.wa.gov)

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:

**EQUITY INSURANCE COMPANY,**

An Authorized Insurer.

)  
) No. G05-58 & D05-375  
) Docket No. 2005-INS-0004  
)

) **AMENDED FINAL ORDER**  
) **TERMINATING PROCEEDING**

TO: Johnny M. Davis, President  
Equity Insurance Company  
3355 Bee Cave Road, Suite 502  
Austin, Texas 78746

Ms. Julie M. Pomerantz, Attorney  
Long, Burner, Parks & DeLargy  
106 E. Sixth Street, Suite 300  
Austin, Texas 78701

Jerry Kindinger  
Ryan, Swanson & Cleveland, PLLC  
1201 3<sup>rd</sup> Avenue, Suite 3400  
Seattle, Washington 98101-3034

AND TO: Mike Kreidler, Insurance Commissioner  
Michael G. Watson, Chief Deputy Insurance Commissioner  
Carol Sureau, Deputy Commissioner, Legal Affairs  
James T. Odiorne, Deputy Commissioner, Company Supervision  
Charles D. Brown, Sr. Staff Attorney, Legal Affairs  
PO Box 40255  
Olympia, WA 98504-0255



**AMENDED FINAL ORDER TERMINATING PROCEEDING**  
NO. G05-58 & ~~D05-375~~  
Page 2

*The sole purpose of this Amended Order is to amend the caption number above, as indicated. This correction is made for the sole purpose as to reflect the proper case number assigned to Equity Insurance Company. A Stipulation and Order entered by the Office of the Administrative Hearings attached hereto also refers to the incorrect Matter No. D05-375. The correct case number is G05-58. Therefore, the sole purpose of this Amended Order is to correct the case number above and in the order:*

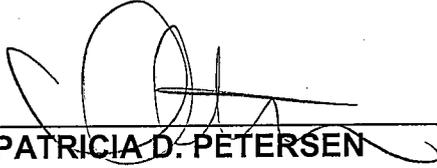
On November 28, 2005, a Demand for Administrative Hearing and Review was filed on behalf of Equity Insurance Company (Equity) by its attorney, Jerry Kindinger of Ryan, Swanson & Cleveland, PLLC of Seattle, Washington. The purpose of said Demand was to appeal the Insurance Commissioner's (OIC) Order Revoking Certificate of Authority No. 2056 demanding that Equity cease and desist from acting as an insurer transacting business in Washington State. On November 29, 2005, as requested by Equity, using its discretion, transferred this matter to the Office of Administrative Hearings (OAH) for an initial decision.

On December 22, 2005, the parties executed a Stipulation and Order herein. Thereafter, Administrative Law Judge Cindy L. Burdue of OAH signed an Order Terminating Proceedings, purporting to dismiss this proceeding. A copy of the parties' Stipulation and Order, and also a copy of OAH's Order Terminating Proceedings are attached hereto and by this reference incorporated herein. However, because OAH's Order Terminating Proceedings cannot contain a final order terminating this proceeding, it is necessary to enter this Final Order Terminating Proceeding at this time.

Based upon the above activity:

**IT IS HEREBY ORDERED** that, based upon the Stipulation and Order executed by the parties on December 22, 2005, which has been duly filed herein, Matter No. ~~G05-375~~, **G05-58** also identified as OAH Docket No. 2005-INS-0004, is dismissed and this proceeding is terminated with prejudice.

ENTERED this 17<sup>th</sup> day of February, 2006, at Tumwater, Washington.

  
**PATRICIA D. PETERSEN**  
Chief Hearing Officer

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER



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

FILED

JAN 30 2006

Hearings Unit, OIC  
Patricia D. Petersen  
Chief Hearing Officer

**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 30th day of January 2006 at Tumwater, Washington.

Signed: Wendy Galloway

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

Wendy Galloway  
Administrative Assistant  
(360) 725-7002  
WendyG@OIC.wa.gov.

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:

**EQUITY INSURANCE COMPANY,**

An Authorized Insurer.

)  
) Nos. G05-58 & D05-375  
) Docket No. 2005-INS-0004

)  
) FINAL ORDER TERMINATING  
) PROCEEDING

TO: Johnny M. Davis, President  
Equity Insurance Company  
3355 Bee Cave Road, Suite 502  
Austin, Texas 78746

Ms. Julie M. Pomerantz, Attorney  
Long, Burner, Parks & DeLargy  
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Jerry Kindinger  
Ryan, Swanson & Cleveland, PLLC  
1201 3<sup>rd</sup> Avenue, Suite 3400  
Seattle, Washington 98101-3034

AND TO: Mike Kreidler, Insurance Commissioner  
Michael G. Watson, Chief Deputy Insurance Commissioner  
Carol Sureau, Deputy Commissioner, Legal Affairs  
James T. Odiorne, Deputy Commissioner, Company Supervision  
Charles D. Brown, Sr. Staff Attorney, Legal Affairs  
PO Box 40255  
Olympia, WA 98504-0255



FINAL ORDER TERMINATING PROCEEDING

NO. G05-58 & D05-375

Page 2

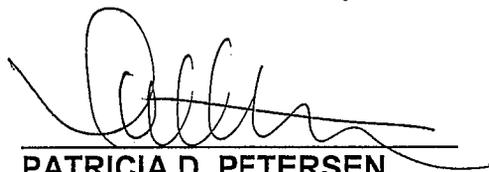
On November 28, 2005, a Demand for Administrative Hearing and Review was filed on behalf of Equity Insurance Company (Equity) by its attorney, Jerry Kindinger of Ryan, Swanson & Cleveland, PLLC of Seattle, Washington. The purpose of said Demand was to appeal the Insurance Commissioner's (OIC) Order Revoking Certificate of Authority No. 2056 demanding that Equity cease and desist from acting as an insurer transacting business in Washington State. On November 29, 2005, as requested by Equity, using its discretion, transferred this matter to the Office of Administrative Hearings (OAH) for an initial decision.

On December 22, 2005, the parties executed a Stipulation and Order herein. Thereafter, Administrative Law Judge Cindy L. Burdue of OAH signed an Order Terminating Proceedings, purporting to dismiss this proceeding. A copy of the parties' Stipulation and Order, and also a copy of OAH's Order Terminating Proceedings are attached hereto and by this reference incorporated herein. However, because OAH's Order Terminating Proceedings cannot contain a final order terminating this proceeding, it is necessary to enter this Final Order Terminating Proceeding at this time.

Based upon the above activity:

**IT IS HEREBY ORDERED** that, based upon the Stipulation and Order executed by the parties on December 22, 2005, which has been duly filed herein, Matter No. G05-375, also identified as OAH Docket No. 2005-INS-0004, is dismissed and this proceeding is terminated with prejudice.

ENTERED this 30th day of January, 2006, at Tumwater, Washington.



**PATRICIA D. PETERSEN**  
Chief Hearing Officer

DEC 28 2005

Hearings Unit, OIC  
Patricia D. Petersen  
Chief Hearing Officer

STATE OF WASHINGTON  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE OFFICE OF INSURANCE COMMISSIONER

<i>In the Matter of</i>	)	Docket No. 2005-INS-0004
	)	Matter No. D 05 - 375
	)	
<b>Equity Insurance Company,</b>	)	
	)	<b>STIPULATION AND ORDER</b>
<i>An Authorized Carrier.</i>	)	

Pursuant to RCW 34.05.060 and WAC 10.08.230(2)(b), the parties hereby stipulate and agree to the following in resolution of this matter:

**Stipulated Facts and Law**

1. Equity Insurance Company ("Equity") is an admitted foreign insurer.
2. On August 30, 2005, the Office of the Insurance Commissioner ("OIC") entered Order No. G05-58 revoking Equity's Certificate of Authority for failure to timely file its annual statement for the year ended December 31, 2004. Due to a change of address, Equity received no prior notice from OIC of the revocation order. Pursuant to RCW 48.04.040, Equity objected to OIC's order and timely requested an administrative hearing.
3. Although Equity timely undertook to file its annual statement electronically on February 24, 2005, in the manner required by OIC, the electronic filing did not go through. Equity did not learn that its electronic filing had not gone through until after Order No. G05-58 was entered at which time Equity immediately re-filed its annual statement and OIC accepted it.
4. Equity's failure to complete its annual filing by March 1, 2005 violated RCW 48.05.250. However, this failure was the result of inadvertence and clerical error. Equity at all times acted in good faith in connection with its filing of its 2005 annual statement.

**Stipulation And Consent To Order**

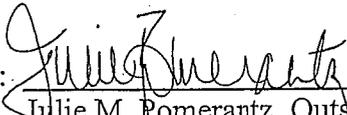
OIC and Equity hereby stipulate to the preceding facts and law and to entry of the following Order. OIC and Equity enter into this stipulation voluntarily and in lieu of OIC's request for revocation of Equity's Certificate of Authority and in lieu of any further proceedings in Matter Number G05-58. OIC and Equity stipulate and agree that the Order Revoking Certificate of Authority, Order No. G05-58, entered August 30, 2005 in this matter shall be vacated nunc pro tunc. Equity shall not be required to report said administrative action or revocation order to any regulatory authority nor shall it be required to answer the question regarding same in a positive fashion. Equity further stipulates

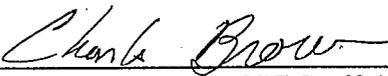
and agrees that it will pay a fine of \$5,000, which amount is due within thirty (30) days of entry of the subjoined order, that failure to pay such fine when due shall constitute adequate grounds for immediate revocation of Equity's Washington Certificate of Authority, and that the fine if not paid will be recoverable in a civil action brought on behalf of the Commissioner by the Attorney General.

Signed this 22<sup>nd</sup> day of December, 2005.

Equity Insurance Company

Office of the Insurance Commissioner

By:   
Julie M. Pomerantz, Outside Counsel

By:   
Charles D. Brown, OIC Staff Attorney

Long, Burner, Parks & DeLargy  
106 E. Sixth St., Ste 300  
Austin, Texas 78701  
Email: jpomerantz@longburner.com

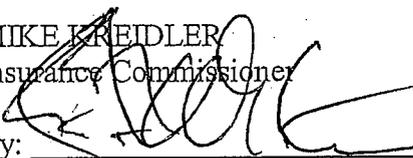
### ORDER

IT IS ORDERED that pursuant to the foregoing Stipulated Facts and Law and Stipulation and Consent to Order that:

1. Equity Insurance will pay a fine in the total amount of \$5,000, due within thirty (30) days of the date of entry of this order.
2. Order Revoking Certificate of Authority, Order No. G05-58, entered August 30, 2005 in this matter is hereby vacated nunc pro tunc.
3. Failure to pay the fine set forth herein when due shall constitute adequate grounds for immediate revocation of Equity's Certificate of Authority.

ENTERED AT TUMWATER, WASHINGTON, this \_\_\_ day of December, 2005.

MIKE FREIDLER  
Insurance Commissioner

By:   
Michael G Watson  
Chief Deputy Insurance Commissioner

**ORDER TERMINATING PROCEEDINGS**

This matter having come before the undersigned Hearing Officer on the stipulation of the parties, pursuant to the stipulation of the parties it is hereby ordered that OIC Docket Number 2005-INS-0004 and Matter No. G05-58 are hereby closed and the adjudicative proceeding therein is hereby dismissed.

SIGNED AND ENTERED THIS 22 day of December, 2005.

By: [Signature] for LINDA L. BURDUE

Hearing Officer/Administrative Law Judge

*Final  
Dismissal order to follow from Judge Burdue  
on 12/27/05.*

DEC 28 2005

STATE OF WASHINGTON  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE OFFICE OF INSURANCE COMMISSIONER

Hearing Officer OIC  
Patricia D. Petersen  
Chief Hearing Officer

IN THE MATTER OF:

Equity Insurance Company,  
Johnny M. Davis, President.

Docket No. 2005-INS-0004

Matter No. G 05-58

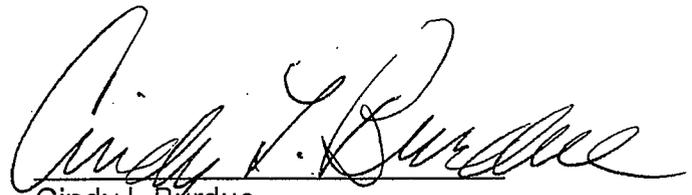
ORDER OF DISMISSAL  
APPEAL WITHDRAWAL

On December 22, 2005, the parties entered into a Stipulation and Consent to Order, settling the issues in this matter. Accordingly, the Appellant has withdrawn its request for a hearing.

Therefore,

**IT IS ORDERED** that the above proceedings are **DISMISSED**.

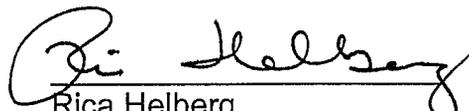
**Dated and Mailed** at Olympia, Washington this 27<sup>th</sup> day of December, 2005.



Cindy L. Burdue  
Administrative Law Judge  
Office of Administrative Hearings  
921 Lakeridge Way, Suite C  
PO Box 9046  
Olympia, WA 98507-9046  
Phone: (360) 753-7328  
1-800-843-7712

## Certificate of Service

I assert that true and exact copies of the Order of Dismissal were mailed to the following parties on the 27<sup>th</sup> day of December, 2005.

  
Rica Helberg  
Legal Secretary

### Copies Mailed To:

Johnny M. Davis, President  
Equity Insurance Company  
3355 Bee Cave Rd. Suite 502  
Austin, TX 78746

Long, Burner, Parks & DeLargy  
Ms. Julie M. Pomerantz, Attorney  
106 E. Sixth St., Ste. 300  
Austin, TX 78701

Charles Brown  
Office of the Insurance Commissioner  
c/o Legal Affairs Division  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

Patricia D. Peterson,  
Chief Hearing Officer  
c/o Wendy Galloway  
P.O. Box 40255  
Olympia, WA 98504-0255

Carol Sureau  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

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