

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000
www.insurance.wa.gov

FILED

OFFICE OF
INSURANCE COMMISSIONER

2014 DEC -1 A 10:41

December 1, 2014

Judge George Finkle (Ret.), Presiding Officer
Office of the Insurance Commissioner, Hearings Unit
P.O. Box 40255
Olympia, WA 98504-0255
5000 Capitol Blvd. S.E.
Tumwater, WA 98501

Re: Redomestication application for Contractors Bonding and Insurance Company

Dear Judge Finkle:

Attached please find the redomestication application and associated supplementary documents for Contractors Bonding and Insurance Company ("CBIC"). The applicant has proposed to transfer its state of domicile from Washington to Illinois.

CBIC is a domestic Washington company admitted in 1979 to transact property, general casualty, marine and transportation, surety and vehicle insurances. CBIC was purchased by RLI Insurance Company in 2011 as the fourth insurance company within the RLI holding system. The three other insurance companies are domiciled in Illinois. As set forth in the application, the Board of Directors feels that for regulatory efficiency it is in the best interests of the Company and the Shareholders to redomesticate CBIC to Illinois.

The Company has requested an effective date of redomestication no later than December 31, 2014.

The Company Supervision division is satisfied that the redomestication application is complete and requests that a hearing be scheduled in this matter as soon as possible. Ms. Marcia Stickler, OIC Staff Attorney, is assigned to this case.

If you have any questions, please call me at 360-725-7210 or Ms. Stickler at 360-725-7048.

Sincerely,

A handwritten signature in cursive script that reads "Gayle Pasero".

Gayle Pasero, CPCU
Company Licensing Manager

Cc: Bill Michels, Deputy Commissioner
Marcia Stickler, Staff Attorney
Daniel O. Kennedy, Vice President and General Counsel

Mailing Address: P. O. Box 40255 • Olympia, WA 98504-0255
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STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

No. 173

I, MIKE KREIDLER, State Insurance Commissioner, do hereby certify that I am the state official charged with the general control and supervision of all insurance business (except State Workers' Compensation) transacted in the State of Washington and charged with the administration of the laws relating to insurance in said jurisdiction, and that this office is a department of record, having custody of original documents.

I FURTHER CERTIFY That **CONTRACTORS BONDING AND INSURANCE COMPANY**, Seattle, Washington, was duly organized and incorporated under the laws of the State of Washington, and having complied with the requirements of said laws, has been authorized since October 9, 1979, to issue policies and transact the business of Property, Marine & Transportation, Vehicle, General Casualty, and Surety Insurance, as defined in RCW 48.11.040, 48.11.050, 48.11.060, 48.11.070, and 48.11.080, of the Insurance Code of the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed the official seal of the
Insurance Commissioner of the State of
Washington, this 26th day of November, 2014

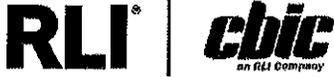


MIKE KREIDLER
Insurance Commissioner

By:

A handwritten signature in black ink, appearing to read "W. R. M.", written over a horizontal line.

Deputy Insurance Commissioner



September 12, 2014

Gayle Pasero
Company Licensing Manager
Company Supervision Division
State of Washington Office of the Insurance Commissioner
500 Capital Blvd.
Tumwater, WA 98501

RECEIVED

SEP 15 2014

Insurance Commissioner
Company Supervision

Re: Redomestication of Contractors Bonding and Insurance Company ("CBIC")

Dear Ms. Pasero

Pursuant to RCW 48.07.210(2) of the Washington Insurance Code, we are formally submitting the following documents in support of our request to redomesticate CBIC from the State of Washington to the State of Illinois:

1. UCAA Primary Application Checklist (Form 1P);
2. UCAA Primary Application (Form 2P);
3. All required documents as requested by Form 1P and Form 2P (included in binder);
4. UCAA Corporate Amendments Application/Application to Amend Certificate of Authority (Form 2C);
5. UCAA Uniform Consent to Service of Process (Form 12);
6. Certified Resolution of CBIC's Shareholder Approval, Board of Directors approving the Redomestication and Articles of Reorganization, and Board of Directors approving the Amended and Restated By-Laws;
7. Annual Statement for RLI Insurance Company Group for 2013; and
8. Annual Statements of CBIC for 2011, 2012, and 2013.

These same documents are being filed simultaneously with the Illinois Department of Insurance ("DOI"), which will review the plan for redomestication. We have requested an approval date of November 30, 2014. Upon the approval of the Illinois DOI, we will provide Washington State Office of the Insurance Commissioner ("OIC") with an approved order. We understand that the OIC will review the plan for redomestication and schedule a hearing. We also understand that an OIC order approving the redomestication is conditioned upon receipt of the approved order from the Illinois DOI.

We wish to reiterate to you our reasons for this redomestication. We purchased CBIC in 2011 as our 4th insurance company within our holding company system. Our three other insurance companies, (RLI Insurance Company, Mt. Hawley Insurance Company, and RLI Indemnity Company) are all domesticated in Illinois. Because of this our Board of Directors feels that for regulatory efficiency that it is in the best interests of the Company and our Shareholders to redomesticate CBIC to Illinois. We have no intentions of leaving the State of Washington. We currently hold a retail lease for our approximately



50 CBIC employees in downtown Seattle until 2019. We like our current presence in Seattle and we recently spent quite a sum of money to build out and renovate the current space for our employees and we have no intention of modifying that dynamic.

If you need to speak to the DOI regarding any of these documents, please contact Marcy Savage at (217)524-0016. In addition, we will provide your contact information with the DOI in our filing cover letter.

Please contact me with any questions or requests for additional information. Thank you for your consideration in this matter.

Very truly yours,

Daniel O. Kennedy
Vice President and General Counsel
Contractors Bonding and Insurance Company

cc: Illinois Department of Insurance (letter only)
Ron Pastuch, Washington OIC (letter)
