



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. 11-31
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
WASHINGTON INSURANCE)	AND ORDER ADOPTING REPORT
GUARANTY ASSOCIATION)	OF FINANCIAL EXAMINATION

BACKGROUND

An examination of the financial condition of the **WASHINGTON INSURANCE GUARANTY ASSOCIATION** (the Association) as of December 31, 2009, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Association for its comments on January 18, 2011. The Association's response to the report is attached to this order only for the purpose of a more convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and the submissions by the Association.

Subject to the right of the Association to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 6 of the report.



CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of the **WASHINGTON INSURANCE GUARANTY ASSOCIATION** and to order the Association to take the actions described in the Comments and Recommendations section of the report. The Commissioner acknowledges that the Association may have implemented some of the Comments and Recommendations prior to the date of this order. The Comments and Recommendations in the report are appropriate responses to the matters found in the examination.

ORDER

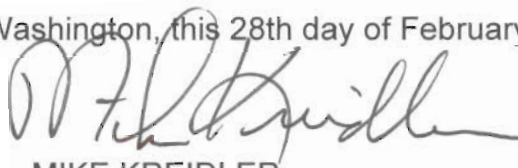
The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Association is ordered as follows, these being the Comments and Recommendations contained in the examination report on page 1.

1. It is ordered that the Association consider amending its repurchase agreement with Commerce Bank so that it can only purchase securities that are authorized by the Association's investment policy. Comments and Recommendations 1, Examination Report, page 1.

IT IS FURTHER ORDERED THAT, the Association file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how the Association has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 28th day of February, 2011.



MIKE KREIDLER
Insurance Commissioner

Odiorne, Jim (OIC)

From: McNaughton, Pat (OIC)
Sent: Tuesday, February 22, 2011 8:35 AM
To: Odiorne, Jim (OIC)
Subject: FW: Exam Report Acknowledgment

Jim:

FYI – here is the “official” response from WIGA to the draft report.

Thanks:

PAT

From: Mocerì, Elizabeth - Law & Regulation [mailto:emoce@allstate.com]
Sent: Monday, February 21, 2011 9:04 AM
To: McNaughton, Pat (OIC)
Cc: Isededia@wgfs.org; Jordan, Mike (OIC); Campbell, Susan (OIC); DeBella, Adrienne (OIC); Jansen, Colleen (OIC); dedwards@wgfs.org
Subject: Re: Exam Report Acknowledgment

Dear Pat,

Thank you so much for providing me with a copy of this report.

As Chair of the Washington Insurance Guaranty Association (WIGA) Board of Directors, I have reviewed the draft report of the examination performed by the Office of the Insurance Commissioner, covering the period January 1, 2005 through December 31, 2009.

The WIGA staff has taken steps to comply with the only recommendation made, that the repurchase agreement with Commerce Bank be amended to insure compliance with WIGA’s investment policy. In accordance with the OIC’s recommendation, I am pleased to inform you that the repurchase agreement has been amended.

I would also like to extend my thanks and commend the OIC staff for their time, efforts and professionalism throughout the financial examination. We really appreciate these exams.

Please let me know if you have any questions or concerns.

Kind Regards,

Elizabeth Mocerì
Chair, WIGA

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