

STATE OF WASHINGTON

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MIKE KREIDLER
STATE INSURANCE COMMISSIONER



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. 14-86
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
ACADEME, INC.)	AND ORDER ADOPTING REPORT
)	OF FINANCIAL EXAMINATION
)	

A Domestic Insurer.

BACKGROUND

An examination of the financial condition of **ACADEME, INC.**, (the Company) as of December 31, 2012, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a stock insurer. 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 (see Exhibit A) was transmitted to the Company for its comments on April 8, 2014. The Company's response to the report is attached to this order (see Exhibit B) 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 Company.

Subject to the right of the Company 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 9 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 **ACADEME, INC.**

ORDER

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

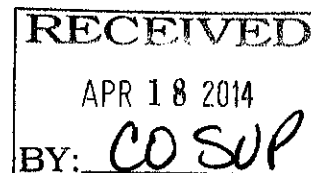
ENTERED at Olympia, Washington, this 12th day of May, 2014.

A handwritten signature in black ink, appearing to read "Mike Kreidler". The signature is fluid and cursive, with the first name "Mike" being particularly prominent.

MIKE KREIDLER
Insurance Commissioner

VIA OVERNIGHT MAIL

April 16, 2014



Mr. William R. Michels, MBA, CPA, CFE
Deputy Insurance Commissioner
Company Supervision Division
5000 Capitol Blvd
Tumwater, WA 98501

Re: Financial Examination Report of Academe, Inc. as of December 31, 2012
Company's Response to Draft Examination Report

Dear Deputy Insurance Commissioner Michels:

The purpose of this letter is to furnish you with comments on the Draft Financial Examination Report ("Draft Report") for Academe, Inc. (the "Company") transmitted to the Company on April 8, 2014. Since the Draft Report contained no instructions, comments or recommendations, this letter outlines factual inaccuracies found in the Management and Control section and the Financial Statements section of the Draft Report, respectively.

Officers. On page 4, David Braza should be added to the list as a Senior Vice President.

Conflict of Interest. On page 4, the name, "Compliance & Ethics committee" should be changed to, "Compliance and Ethics department."

Financial Statements. The Assets, Liabilities, Capital and Surplus report, on page 6, contains the line "Receivable from parent" which should be changed to, "Receivable from parent, subsidiaries, and affiliates." In addition, the "Five Year Reconciliation of Surplus" report, on page 8, has the amount of \$2,718 listed under "Change in net deferred income tax" for 2011. This number should instead be listed under "Change in non-admitted assets" for 2011.

In closing, we appreciate the opportunity to provide you these comments and we respectfully ask that the Draft Report be modified in accordance with the information provided herein before it is adopted and made public. If you have any questions, I would be happy to discuss them with you.

Sincerely,

A handwritten signature in black ink that reads "Sharilyn Campbell".

Sharilyn Campbell
Vice President, Finance, & Treasurer

Order No. 14-86
Academe, Inc.
Exhibit B