



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. 13-211
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
WASHINGTON SURVEYING AND)	AND ORDER ADOPTING REPORT
RATING BUREAU)	OF FINANCIAL EXAMINATION
)	

BACKGROUND

An examination of the financial condition of **WASHINGTON SURVEYING AND RATING BUREAU** (the Bureau) as of December 31, 2011, 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 Bureau for its comments on June 25, 2013. The Bureau'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 Bureau.

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 7 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 **WASHINGTON SURVEYING AND RATING BUREAU** and to order the Bureau to take the action described in the Comments and Recommendations section of the report. The Commissioner acknowledges that the Bureau may have implemented 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 Bureau is ordered as follows, this being the Comment and Recommendation contained in the examination report on page 1.

1. It is ordered that WSRB consider periodically reviewing the allocation of expenses for work performed for BMI and allocate expenses to BMI for the time shared officers spend on BMI business, if material. Comments and Recommendations 1, Examination Report, page 1.

ENTERED at Olympia, Washington, this 17th day of July, 2013.



MIKE KREIDLER
Insurance Commissioner



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7/12/2013

Mr. James Odiorne, CPA, JD
Chief Deputy Insurance Commissioner
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

DATE RECEIVED 7/15/2013
FINANCIAL EXAMINATIONS
INSURANCE COMMISSIONER/SEATTLE

RE: Washington Surveying and Rating Bureau.
Financial Examination as of December 31, 2011

Dear Mr. Odiorne:

The Washington Surveying and Rating Bureau (WSRB) wishes to thank the Office of the Insurance Commissioner and examination staff for the financial examination of its operations for the five year period ending December 31, 2011. We appreciate the effective working relationship maintained with the examination team and commend them for their professionalism and thoroughness.

We are pleased that no instructions were issued.

There was one Recommendation.

1. Expense Allocation

It is recommended that WSRB periodically review the allocation of expenses for work performed for BMI and allocate expenses to BMI for the time shared officers spend on BMI business, if material.

We have agreed to implement the recommendation immediately.

Accordingly, we have reviewed and established a procedure for the allocation of expenses to BMI for time the BMI President and Vice President spend on BMI business.

A charge to BMI for their time is being made for 2013. Furthermore, a similar review will be performed on an annual basis and revisions in the allocation, if appropriate, will be made at that time.



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Other expenses are already reimbursed, of course. During the last six years, WSRB received 36.4% of BMI's revenue as reimbursement for leased labor, travel, and shared overhead expenses.

Sincerely,

Brian G. Upton-Rowley, CPCU, CIC
President & CEO

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