MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G 07-2
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
QBE Insurance Corporation	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Insurer	)	
	)	

BACKGROUND

An examination of the market conduct of **QBE Insurance Corporation** (the Company) as of December 31, 2005 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Pennsylvania, 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, instructions, and recommendations was transmitted to the Companies for its comments on December 14, 2006. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and 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 3 through 16 of the report.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **QBE Insurance Corporation** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendation prior to the date of this order. The Instructions and Recommendation in the report are an appropriate response to the matters found in the examination.

ORDER

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

The Company is ordered as follows, these being the Instructions and Recommendation contained in the examination report on page 13.

1. The Company is ordered to ensure that claim handlers comply with its internal standards and the requirements of WAC 284-30-330(2) and (3) to ensure all claims are acknowledged and investigated timely. The Company is further ordered to comply with WAC 284-30-330(9) to ensure that all claim checks issued to first party claimants contain information to show under which coverage a payment is made.

2. The Company is ordered to comply with WAC 284-30-395 and include the mandated language regarding the situations that permit the Company to deny, limit or terminate PIP benefits.

3. The Company is ordered to consider conducting a training session with all claims personnel responsible for Washington claims to review the results of the examination and specifically focus on those areas where comments were made in the report.

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

ENTERED at Olympia, Washington, this 18th day of January, 2007.

MIKE KREIDLER
Insurance Commissioner