MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G 07-1
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
Zurich American Insurance Company and Affiliates	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Insurers	)	
	)	

BACKGROUND

An examination of the market conduct of **Zurich American Insurance Company and Affiliates** (the Companies) as of December 31, 2005 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). Each of the Companies, domiciled in the state of New York, 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 their comments on December 1, 2006. The Companies' 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 Companies.

Subject to the right of the Companies 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 **Zurich American Insurance Company and Affiliates** and to order the Companies to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations 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 Companies are ordered as follows, these being the Instruction and Recommendation contained in the examination report on page 13.

1. The Companies are ordered to comply with RCW 48.05.190(1) to ensure that all correspondence and forms identify the insuring Company. If the Companies are using letterhead or forms that identify both the group name and the insuring Company, the insuring company must be clearly identified.

2. It is ordered that the Companies 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 Companies file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Companies have addressed each of the requirements of this order.

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

MIKE KREIDLER
Insurance Commissioner