MIKE KREIDLER
STATE INSURANCE COMMISSIONER

**STATE OF WASHINGTON**

**OFFICE OF**
**INSURANCE COMMISSIONER**

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|---|---|---|
| In the Matter of | ) | No. G07-18 |
| | ) | |
| The Financial Examination of | ) | FINDINGS, CONCLUSIONS, |
| **PROVIDENCE HEALTH SYSTEM** | ) | AND ORDER ADOPTING REPORT |
| **- WASHINGTON** | ) | OF |
| | ) | FINANCIAL EXAMINATION |

A Domestic Charitable Gift Annuity Issurer.

## BACKGROUND

An examination of the financial condition of **PROVIDENCE HEALTH SYSTEM - WASHINGTON** (PHS) as of December 31, 2004, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). PHS holds a Washington certificate of exemption to issue charitable gift annuities. 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 and instructions was transmitted to PHS for its comments on November 1, 2006. PHS's response to the report is attached to this order only for the purpose of providing a 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 PHS.

## 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 PHS and to order PHS to take the actions


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described in the Comments and Recommendations section of the report. The Commissioner acknowledges that PHS may have implemented the Comments and Recommendations prior to the date of this order. The Comments and Recomendations in the report are an appropriate response 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.

1. It is ordered that PHS consider coordinating with Bank of America to change the name on the bank's custodial account statement to "Providence Health System-Washington Gift Annuity Reserve." Examination Report, Comments and Recommendations 1, page 1.

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

ENTERED at Olympia, Washington, this 26th day of February, 2007.

MIKE KREIDLER
Insurance Commissioner

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INSURANCE COMMISSIONER
COMPANY SUPERVISION

PROVIDENCE
Health & Services

February 14, 2007

Mr. James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
PO Box 40255
Olympia, WA 98504-0255

Dear Mr. Odiorne:

Thank-you for your letter in regards to the Financial Examination Report of Providence Health System-Washington (CGA) that was concluded in 2006. Thank-you also for the call from your office in regards to a response to the letter.

We had not replied as we were in agreement with the letter received, but based on the call wanted to thank-you for identifying the fact that after our name change from Sisters of Providence to Providence Health System-WA , our trustee Bank of America had not changed the name of our annuity reserve to coincide with the name change.

Based on your recommendation we notified Bank of America and had them affect the name change on the account. We are very appreciative of your calling this to our attention.

Thank-you again for the thoroughness of your review and for all your help in this matter.

Sincerely,

Marite M. Butners

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System Director
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