MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G 2005-35
	)	
FREE METHODIST FOUNDATION	)	ORDER SUSPENDING
	)	CERTIFICATE OF EXEMPTION NO. 12

To: STEVEN D. RICK, GENERAL COUNSEL
FREE METHODIST FOUNDATION
PO BOX 580
SPRING ARBOR MI 49283

IT IS ORDERED and you are hereby notified that pursuant to RCW 48.38.050 Certificate of Exemption No. 12 issued to you to issue charitable gift annuities is hereby SUSPENDED effective April 25, 2005, until further notice by the Insurance Commissioner, or for a period of one (1) year, whichever comes first.

This suspension is applicable to the sale, solicitation, or issuance of any new charitable gift annuities in the State of Washington. Provided, however, FREE METHODIST FOUNDATION shall remain fully obligated: (1) under its charitable gift annuities in force, and authorized to administer said annuities as well; and (2) to comply with all other provisions of Chapter 48.38 RCW, including but not limited to, reporting requirements and payment of annual and other fees.

THIS ORDER IS BASED UPON THE FOLLOWING:

The Insurance Commissioner of the State of Washington finds that there presently exist conditions precluding FREE METHODIST FOUNDATION from being eligible to hold a Certificate of Exemption to issue charitable gift annuities in this state. Specifically, FREE METHODIST FOUNDATION failed to meet the separate reserve requirements of RCW 48.38.020(3). FREE METHODIST FOUNDATION filed its annual report as of December 31, 2004 and reported a separate reserve fund balance of $5,504,905, which was less than the required minimum of $5,724,197.

Chapters 48.04 and 34.05 RCW provide FREE METHODIST FOUNDATION the right to demand a hearing on this order.

SIGNED AND ENTERED this 25th day of April, 2005.

Michael G. Watson
Chief Deputy Insurance Commissioner

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