

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to the Insurance Company
: Law, Act of May 17, 1921, P.L. 682,
The Request of Washington Mutual Fire : as amended, 40 P.S. §§341 et seq.
Insurance Company of Lawrence County :
for Approval to Surrender its Certificate :
of Authority to Operate as an Insurance :
Company : Order No. ID-RC-10-28

DECISION AND ORDER

AND NOW, on this 27th day of October, 2010, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes this Decision and Order:

Pursuant to the Insurance Company Law, and in consideration of the documents, representations, and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of Applicant

1. Washington Mutual Fire Insurance Company of Lawrence County (“Washington Mutual”) is a mutual fire insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Ephrata, Pennsylvania.
2. Washington Mutual holds a certificate authorizing the transaction of the business of insurance in this Commonwealth (“Certificate of Authority”).

The Surrender Filing

3. On September 29, 2010, the Pennsylvania Insurance Department (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from Washington Mutual to voluntarily surrender its Certificate of Authority.
4. The Request included a properly executed Affidavit of Lost Certificate of Authority.

Background

5. On July 7, 2010, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) issued an Order to Washington Mutual approving the company’s request to reinsure its entire schedule of policies with Windsor-Mount Joy Mutual Insurance Company (“Windsor”) through the execution of an Agreement of Acquisition of Assets and Assumption of Liabilities and an Assumption Reinsurance Agreement that provide, inter alia, for Windsor to assume the rights, duties and obligations of all policies issued by Washington Mutual in exchange for all the assets of Washington Mutual (“Bulk Transfer”).
6. The Bulk Transfer was completed on September 30, 2010.
7. The Bulk Transfer provided, inter alia, for Windsor to assume the rights, duties and obligations of all policies issued by Washington Mutual.

Department Procedures

8. On October 16, 2010, the Department published notice in the *Pennsylvania Bulletin* that the Request was submitted by Washington Mutual, and such notice invited interested persons to submit comments to the Department regarding the Request for a seven day period, ending October 23, 2010.
9. During the seven day period, the Department received no comments regarding the proposed Request.

The Filing

10. Washington Mutual has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority.
11. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Inasmuch as Washington Mutual does not have any members, Washington Mutual is not required to make provision for payment of member claims.
2. Inasmuch as Washington Mutual will be a going concern, the Department's approval of the Request will have no impact on any creditors of Washington Mutual.
3. After the surrender of the Certificate of Authority, Washington Mutual will no longer be authorized to transact the business of insurance in this Commonwealth.
4. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
5. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on September 29, 2010, by Washington Mutual Fire Insurance Company of Lawrence County (“Washington Mutual”), subject to the following conditions:

1. Washington Mutual shall not engage in transacting the business of insurance in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. The surrender shall be effective immediately.
3. Should Washington Mutual, as a continuing business corporation, determine that at some time in the future it would like to engage in the business of insurance, it will be necessary to file a new application with the Department for an appropriate certificate of authority.

This Order is effective immediately.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Commonwealth of Pennsylvania