

# Chapter 284-36A WAC

## FRATERNAL BENEFIT SOCIETIES

**WAC**

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**DISPOSITION OF SECTIONS FORMERLY  
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284-36A-025	Risk-based surplus (RBS) financial standard formula. [Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-025, filed 4/6/98, effective 5/7/98. Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.310 and 1996 c 236. 96-22-064 (Matter No. R 96-5), § 284-36A-025, filed 11/4/96, effective 12/5/96.] Repealed by 99-01-142 (Matter R 98-19), filed 12/22/98, effective 1/22/99. Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.-290.
284-36A-030	RBS level—Commissioner's action. [Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.310 and 1996 c 236. 96-22-064, § 284-36A-030 (Matter No. R 96-5), filed 11/4/96, effective 12/5/96.] Repealed by 98-09-016 (Matter R 98-03), filed 4/6/98, effective 5/7/98. Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290.

**WAC 284-36A-005 Purpose and scope.** This chapter applies to all fraternal benefit societies transacting the business of life and disability insurance in this state. The risk-based surplus standard in this chapter provide a mechanism for the commissioner to evaluate the ability of a fraternal benefit society to manage its insurance operations and to fulfill its responsibilities as tax-exempt benevolent and charitable organization for the benefit of members and others. The risk-based surplus standard of this chapter is a minimum standard. It is an estimate of the surplus level required of a fraternal benefit society that is necessary so that the entity may survive a series of catastrophic financial events. The risk-based surplus formula is the ratio of the fraternal benefit society's total adjusted surplus to its risk-based surplus.

[Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.-310 and 1996 c 236. 96-22-064 (Matter No. R 96-5), § 284-36A-005, filed 11/4/96, effective 12/5/96.]

**WAC 284-36A-010 Definitions.** (1) "Adjusted RBS report" means an RBS report which has been adjusted by the commissioner in accordance with WAC 284-36A-020(4).

(2) "AVR" means asset valuation reserve.

(12/22/10)

(3) "Corrective order" means an order issued by the commissioner specifying corrective actions which the commissioner has determined are required.

(4) "Fraternal benefit society" is defined at RCW 48.36A.010.

(5) "NAIC" means the National Association of Insurance Commissioners.

(6) "Negative trend" means, with respect to a fraternal benefit society, negative trend over a period of time, as determined in accordance with the "trend test calculation" included in the RBS instructions.

(7) "RBC" means risk-based capital.

(8) "RBS" means risk-based surplus.

(9) "RBS instructions" means the RBC report for life insurance companies, including risk-based capital instructions adopted, by the NAIC.

(10) "RBS level" means a fraternal benefit society's society action level RBS, regulatory action level RBS, authorized control level RBS, or mandatory control level RBS where:

(a) "Society action level RBS" means, with respect to a fraternal benefit society, the product of 2.0 and its authorized control level RBS;

(b) "Regulatory action level RBS" means the product of 1.5 and its authorized control level RBS;

(c) "Authorized control level RBS" means the number determined under the risk-based surplus formula in accordance with the RBS instructions;

(d) "Mandatory control level RBS" means the product of .70 and the authorized control level RBS.

(11) "RBS plan" means a comprehensive financial plan containing the elements specified in WAC 284-36A-040(2). If the commissioner rejects the RBS plan, and it is revised by the fraternal benefit society, with or without the commissioner's recommendation, the plan shall be called the "revised RBS plan."

(12) "RBS report" means the report required in WAC 284-36A-050 and 284-36A-020.

(13) "Total adjusted surplus" means the sum of:

(a) A fraternal benefit society's statutory surplus as determined in accordance with statutory accounting applicable to the annual financial statement required to be filed under RCW 48.36A.260; and

(b) Other items, if any, as the RBS instructions may provide.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 99-01-142 (Matter R 98-19), § 284-36A-010, filed 12/22/98, effective 1/22/99; 98-09-016 (Matter R 98-03), § 284-36A-010, filed 4/6/98, effective 5/7/98. Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.-310 and 1996 c 236. 96-22-064 (Matter No. R 96-5), § 284-36A-010, filed 11/4/96, effective 12/5/96.]

**WAC 284-36A-020 Report of RBS level—Formula for determining level—Inaccurate reports adjusted by**

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**commissioner.** (1) On or prior to the annual filing date, which is hereby established as March 1, every fraternal benefit society authorized to transact insurance business in this state, shall prepare and submit to the commissioner a report of its RBS level as of the end of the calendar year just ended, in a form and containing all information required by the RBS instructions.

(2) The RBS of a fraternal benefit society shall be determined in accordance with the formula set forth in the RBS instructions. The formula shall take into account and may adjust for the covariance between:

(a) The risk with respect to the assets of the fraternal benefit society;

(b) The risk of adverse insurance experience with respect to the liabilities and obligations of the fraternal benefit society;

(c) The interest rate risk with respect to the business of the fraternal benefit society; and

(d) All other business risks and other relevant risks as are set forth in the RBS instructions, determined in each case by applying the factors in the manner set forth in the RBS instructions.

(3) An excess of surplus over the amount produced by the RBS requirements and the formulas, schedules, and instructions under this chapter is desirable in the insurance business of fraternal benefit societies. Accordingly, fraternal benefit societies should seek to maintain unimpaired surplus above the RBS level required. Additional unimpaired surplus is used and useful in the insurance business of fraternal benefit societies and helps to secure a fraternal benefit society against various risks inherent in, or affecting, the insurance business of fraternal benefit societies and not accounted for or only partially measured by the RBS requirements.

(4) If a fraternal benefit society files an RBS report that in the judgment of the commissioner is inaccurate, then the commissioner shall adjust the RBS report to correct the inaccuracy and shall notify the fraternal benefit society of the adjustment. The notice shall contain a statement of the reason for the adjustment. An RBS report as so adjusted is referred to as an "adjusted RBS report."

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 99-01-142 (Matter R 98-19), § 284-36A-020, filed 12/22/98, effective 1/22/99; 98-09-016 (Matter R 98-03), § 284-36A-020, filed 4/6/98, effective 5/7/98. Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.310 and 1996 c 236. 96-22-064 (Matter No. R 96-5), § 284-36A-020, filed 11/4/96, effective 12/5/96.]

**WAC 284-36A-035 Confidentiality of RBS reports—Use of information for comparative purposes—Use of information to monitor solvency.**

(1) All RBS reports, to the extent the information is not required to be set forth in a publicly available annual statement schedule, including the results or report of any examination or analysis of a fraternal benefit society that are filed with the commissioner constitute information that might be damaging to the fraternal benefit society if made available to its competitors, and therefore shall be kept confidential by the commissioner. This information shall not be made public or be subject to subpoena, other than by the commissioner and then only for the purpose of enforcement actions taken by the commissioner.

(2) The comparison of a fraternal benefit society's total adjusted surplus to its RBS level is a regulatory tool that may indicate the need for possible corrective action with respect to the fraternal benefit society, and is not a means to rank fraternal benefit societies generally. Therefore, except as otherwise required under the provisions of this chapter, the making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing an assertion, representation, or statement with regard to the RBS level of any fraternal benefit society, or of any component derived in the calculation, by any fraternal benefit society, insurance producer, or other person engaged in any manner in the insurance business would be misleading and is therefore prohibited. However, if any materially false statement with respect to the comparison regarding a fraternal benefit society's total adjusted surplus to its RBS level or an inappropriate comparison of any other amount to the fraternal benefit society's RBS level is published in any written publication and the fraternal benefit society is able to demonstrate to the commissioner with substantial proof the falsity of such statement, or the inappropriateness, as the case may be, then the fraternal benefit society may publish an announcement in a written publication if the sole purpose of the announcement is to rebut the materially false statement.

(3) The RBS instructions and RBS reports are solely for use by the commissioner in monitoring the solvency of fraternal benefit societies and the need for possible corrective action with respect to fraternal benefit societies and shall not be used by the commissioner for ratemaking nor considered or introduced as evidence in any rate proceeding nor used by the commissioner to calculate or derive any elements of an appropriate premium level or rate of return for any line of insurance that a fraternal benefit society or any affiliate is authorized to write.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-36A-035, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.310 and 1996 c 236. 96-22-064 (Matter No. R 96-5), § 284-36A-035, filed 11/4/96, effective 12/5/96.]

**WAC 284-36A-040 Society action level event.** (1) "Society action level event" means any of the following events:

(a) The filing of an RBS report by a fraternal benefit society which indicates that the fraternal benefit society's has total adjusted surplus which is greater than or equal to its society action level RBS but less than the product of its authorized control level RBS and 2.5 and has a negative trend;

(b) The notification by the commissioner to the fraternal benefit society of an adjusted RBS report that indicates an event in (a) of this subsection, provided the insurer does not challenge the adjusted RBS report under WAC 284-36A-060; or

(c) If, pursuant to WAC 284-36A-060, a fraternal benefit society challenges an adjusted RBS report that indicates the event in (a) of this subsection, the notification by the commissioner to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge.

(2) In the event of a society action level event, the fraternal benefit society shall prepare and submit to the commissioner an RBS plan which shall:

(a) Identify the conditions which contribute to the society action level event;

(b) Contain proposals of corrective actions which the fraternal benefit society intends to take and would be expected to result in the elimination of the society action level event;

(c) Provide projections of the fraternal benefit society's financial results in the current year and at least the four succeeding years, both in the absence of proposed corrective actions and giving effect to the proposed corrective actions, including projections of statutory operating income, net income, and surplus. (The projections for both new and renewal business might include separate projections for each major line of business and separately identify each significant income, expense and benefit component);

(d) Identify the key assumptions impacting the fraternal benefit society's projections and the sensitivity of the projections to the assumptions; and

(e) Identify the quality of, and problems associated with, the fraternal benefit society's business, including but not limited to its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business and use of reinsurance, if any, in each case.

(3) The RBS plan shall be submitted:

(a) Within forty-five days of the society action level event; or

(b) If the fraternal benefit society challenges an adjusted RBS report pursuant to WAC 284-36A-060, within forty-five days after notification to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge.

(4) Within sixty days after the submission by a fraternal benefit society of an RBS plan to the commissioner, the commissioner shall notify the fraternal benefit society whether the RBS plan shall be implemented or is, in the judgment of the commissioner, unsatisfactory. If the commissioner determines the RBS plan is unsatisfactory, the notification to the fraternal benefit society shall set forth the reasons for the determination, and may set forth proposed revisions which will render the RBS plan satisfactory, in the judgment of the commissioner. Upon notification from the commissioner, the fraternal benefit society shall prepare a revised RBS plan, which may incorporate by reference any revisions proposed by the commissioner, and shall submit the revised RBS plan to the commissioner:

(a) Within forty-five days after the notification from the commissioner; or

(b) If the fraternal benefit society challenges the notification from the commissioner under WAC 284-36A-060, within forty-five days after a notification to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge.

(5) In the event of a notification by the commissioner to a fraternal benefit society that the fraternal benefit society's RBS plan or revised RBS plan is unsatisfactory, the commissioner may at the commissioner's discretion, subject to the fraternal benefit society's rights to a hearing under WAC 284-36A-060, specify in the notification that the notification constitutes a regulatory action level event.

(6) Every fraternal benefit society that files an RBS plan or revised RBS plan with the commissioner shall file a copy of the RBS plan or revised RBS plan with the insurance commissioner in any state in which the fraternal benefit society is authorized to do business if:

(a) Such state has an RBS provision substantially similar to WAC 284-36A-035(1); and

(b) The insurance commissioner of that state has notified the fraternal benefit society of its request for the filing in writing, in which case the fraternal benefit society shall file a copy of the RBS plan or revised RBS plan in that state no later than the later of:

(i) Fifteen days after the receipt of notice to file a copy of its RBS plan or revised plan with the state; or

(ii) The date on which the RBS plan or revised RBS plan is filed under subsections (3) and (4) of this section.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-040, filed 4/6/98, effective 5/7/98.]

**WAC 284-36A-045 Regulatory action level event.** (1) "Regulatory action level event" means, with respect to a fraternal benefit society, any of the following events:

(a) The filing of an RBS report by the fraternal benefit society which indicates that the fraternal benefit society's total adjusted surplus is greater than or equal to its authorized control level RBS but less than its regulatory action level RBS;

(b) The notification by the commissioner to a fraternal benefit society of an adjusted RBS report that indicates the event in (a) of this subsection, provided the fraternal benefit society does not challenge the adjusted RBS report under WAC 284-36A-060;

(c) If, pursuant to WAC 284-36A-060, the fraternal benefit society challenges an adjusted RBS report that indicates the event in (a) of this subsection, the notification by the commissioner to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge;

(d) The failure of the fraternal benefit society to file an RBS report by the filing date, unless the fraternal benefit society has provided an explanation for such failure which is satisfactory to the commissioner and has cured the failure within ten days after the filing date;

(e) The failure of the fraternal benefit society to submit an RBS plan to the commissioner within the time period set forth in WAC 284-36A-040(3);

(f) Notification by the commissioner to the fraternal benefit society that:

(i) The RBS plan or revised RBS plan submitted by the fraternal benefit society is, in the judgment of the commissioner, unsatisfactory; and

(ii) Such notification constitutes a regulatory action level event with respect to the fraternal benefit society, provided

the fraternal benefit society has not challenged the determination under WAC 284-36A-060;

(g) If, pursuant to WAC 284-36A-060, the fraternal benefit society challenges a determination by the commissioner under (f) of this subsection, the notification by the commissioner to the fraternal benefit society that the commissioner has, after a hearing, rejected such challenge;

(h) Notification by the commissioner to the fraternal benefit society that the fraternal benefit society has failed to adhere to its RBS plan or revised RBS plan, but only if such failure has a substantial adverse effect on the ability of the fraternal benefit society to eliminate the society action level event in accordance with its RBS plan or revised RBS plan and the commissioner has so stated in the notification, provided the fraternal benefit society has not challenged the determination under WAC 284-36A-060; or

(i) If, pursuant to WAC 284-36A-060, the fraternal benefit society challenges a determination by the commissioner under (h) of this subsection, the notification by the commissioner to the fraternal benefit society that the commissioner has, after a hearing, rejected the challenge.

(2) In the event of a regulatory action level event the commissioner shall:

(a) Require the fraternal benefit society to prepare and submit an RBS plan or, if applicable, a revised RBS plan;

(b) Perform such examination or analysis as the commissioner deems necessary of the assets, liabilities and operations of the fraternal benefit society including a review of its RBS plan or revised RBS plan; and

(c) Subsequent to the examination or analysis, issue an order specifying such corrective actions as the commissioner shall determine are required (a "corrective order").

(3) In determining corrective actions, the commissioner may take into account such factors as are deemed relevant with respect to the fraternal benefit society based upon the commissioner's examination or analysis of the assets, liabilities and operations of the fraternal benefit society, including, but not limited to, the results of any sensitivity tests undertaken pursuant to the RBS instructions. The RBS plan or revised RBS plan shall be submitted:

(a) Within forty-five days after the occurrence of the regulatory action level event;

(b) If the fraternal benefit society challenges an adjusted RBS report pursuant to WAC 284-36A-060 and the challenge is not frivolous in the judgment of the commissioner within forty-five days after the notification to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge; or

(c) If the fraternal benefit society challenges a revised RBS plan pursuant to WAC 284-36A-060 and the challenge is not frivolous in the judgment of the commissioner, within forty-five days after the notification to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge.

(4) The commissioner may retain actuaries and investment experts and other consultants as may be necessary in the judgment of the commissioner to review the fraternal benefit society's RBS plan or revised RBS plan, examine or analyze the assets, liabilities and operations of the fraternal benefit society and formulate the corrective order with respect to the fraternal benefit society. The fees, costs and expenses relat-

ing to consultants shall be borne by the affected fraternal benefit society or such other party as directed by the commissioner.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-045, filed 4/6/98, effective 5/7/98.]

#### **WAC 284-36A-050 Authorized control level event.**

(1) "Authorized control level event" means any of the following events:

(a) The filing of an RBS report by the fraternal benefit society which indicates that the fraternal benefit society's total adjusted capital is greater than or equal to its mandatory control level RBS but less than its authorized control level RBS;

(b) The notification by the commissioner to the fraternal benefit society of an adjusted RBS report that indicates the event in (a) of this subsection, provided the fraternal benefit society does not challenge the adjusted RBS report under WAC 284-36A-060;

(c) If, pursuant to WAC 284-36A-060, the fraternal benefit society challenges an adjusted RBS report that indicates the event in (a) of this subsection, notification by the commissioner to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge;

(d) The failure of the fraternal benefit society to respond, in a manner satisfactory to the commissioner, to a corrective order (provided the fraternal benefit society has not challenged the corrective order under WAC 284-36A-060); or

(e) If the fraternal benefit society has challenged a corrective order under WAC 284-36A-060 and the commissioner has, after a hearing, rejected the challenge or modified the corrective order, the failure of the fraternal benefit society to respond, in a manner satisfactory to the commissioner, to the corrective order subsequent to rejection or modification by the commissioner.

(2) In the event of an authorized control level event with respect to a fraternal benefit society, the commissioner shall:

(a) Take such actions as are required under WAC 284-36A-045 regarding a fraternal benefit society with respect to which a regulatory action level event has occurred; or

(b) If the commissioner deems it to be in the best interests of the policyholders and creditors of the fraternal benefit society and of the public, take such actions as are necessary to cause the fraternal benefit society to be placed under regulatory control under RCW 48.36A.286. In the event the commissioner takes such actions, the authorized control level event shall be deemed sufficient grounds for the commissioner to take action under RCW 48.36A.286, and the commissioner shall have the rights, powers and duties with respect to the fraternal benefit society as are set forth in chapter 48.31 RCW. In the event the commissioner takes actions under this paragraph pursuant to an adjusted RBS report, the fraternal benefit society shall be entitled to such protections as are afforded to fraternal benefit societies under the provisions of RCW 48.31.121 pertaining to summary proceedings.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-050, filed 4/6/98, effective 5/7/98.]

**WAC 284-36A-055 Mandatory control level event.**

(1) "Mandatory control level event" means any of the following events:

(a) The filing of an RBS report which indicates that the fraternal benefit society's total adjusted surplus is less than its mandatory control level RBS;

(b) Notification by the commissioner to the fraternal benefit society of an adjusted RBS report that indicates the event in (a) of this subsection, provided the fraternal benefit society does not challenge the adjusted RBS report under WAC 284-36A-060; or

(c) If, pursuant to WAC 284-36A-060, the fraternal benefit society challenges an adjusted RBS report that indicates the event in (a) of this subsection, notification by the commissioner to the fraternal benefit society that the commissioner has, after a hearing, rejected the fraternal benefit society's challenge.

(2) In the event of a mandatory control level event, the commissioner shall take such actions as are necessary to place the fraternal benefit society under regulatory control under RCW 48.36A.286. In that event, the mandatory control level event shall be deemed sufficient grounds for the commissioner to take action under RCW 48.36A.286, and the commissioner shall have the rights, powers and duties with respect to the fraternal benefit society as are set forth in chapter 48.31 RCW. If the commissioner takes actions pursuant to an adjusted RBS report, the fraternal benefit society shall be entitled to the protections of RCW 48.31.121 pertaining to summary proceedings. Notwithstanding any of the foregoing, the commissioner may forego action for up to ninety days after the mandatory control level event if the commissioner finds there is a reasonable expectation that the mandatory control level event may be eliminated within the ninety-day period.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-055, filed 4/6/98, effective 5/7/98.]

**WAC 284-36A-060 Fraternal benefit society's right to a hearing.** (1) Upon notification to a fraternal benefit society by the commissioner of any of the following, the fraternal benefit society shall have the right to a hearing, in accordance with chapters 48.04 and 34.05 RCW, at which the fraternal benefit society may challenge any determination or action by the commissioner:

(a) Of an adjusted RBS report; or

(b)(i) That the fraternal benefit society's RBS plan or revised RBS plan is unsatisfactory; and

(ii) The notification constitutes a regulatory action level event with respect to such fraternal benefit society; or

(c) That the fraternal benefit society has failed to adhere to its RBS plan or revised RBS plan and that such failure has a substantial adverse effect on the ability of the fraternal benefit society to eliminate the society action level event with respect to the fraternal benefit society in accordance with its RBS plan or revised RBS plan; or

(d) Of a corrective order with respect to the fraternal benefit society.

(2) The fraternal benefit society shall notify the commissioner of its request for a hearing within five days after the notification by the commissioner under this section. Upon receipt of the fraternal benefit society's request for a hearing,

the commissioner shall set a date for the hearing. The date shall be no less than ten nor more than ninety days after the date of the fraternal benefit society's request.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-060, filed 4/6/98, effective 5/7/98.]

**WAC 284-36A-065 RBS report from foreign fraternal benefit society.**

(1) In the event of a company action level event, regulatory action level event or authorized control level event with respect to any foreign fraternal benefit society as determined under the RBS statute applicable in the state of domicile of the fraternal benefit society (or, if no RBS statute is in force in that state, under the provisions of this regulation), if the insurance commissioner of the state of domicile of the foreign fraternal benefit society fails to require the foreign fraternal benefit society to file an RBS plan in the manner specified under that state's RBS statute (or, if no RBS statute is in force in that state, under WAC 284-36A-040), the commissioner may require the foreign or fraternal benefit society to file an RBS plan with the commissioner. In such event, the failure of the foreign fraternal benefit society to file an RBS plan with the commissioner shall be grounds to order the fraternal benefit society to cease and desist from writing new insurance business in this state.

(2) In the event of a mandatory control level event with respect to any foreign fraternal benefit society, if no domiciliary receiver has been appointed with respect to the foreign fraternal benefit society under the rehabilitation and liquidation statute applicable in the state of domicile of the foreign fraternal benefit society, the commissioner may apply for an order pursuant to RCW 48.31.080 to conserve the assets within this state of foreign fraternal benefit society, and the occurrence of the mandatory control level event shall be considered adequate grounds for the application.

[Statutory Authority: RCW 48.02.060, 48.36A.100 and 48.36A.290. 98-09-016 (Matter R 98-03), § 284-36A-065, filed 4/6/98, effective 5/7/98.]