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April 3, 2015

Via U.S. Mail and email hearings@oic.wa.gov

Office of Insurance Commissioner
Attention: Administrative Hearings Unit
P.O. Box 40255
Olympia WA 98504-0255

Re: Northwest Financial Associations' Employee Benefit Trust; Demand for Hearing
and Stay of Actions

To Whom It May Concern:

Our office represents the Northwest Financial Associations' Employee Benefit Trust (the "Trust"), its contributing employer, the Washington Bankers Association, who is a representative of such employers, and the Participants, including James Pishue, who is a representative of such Participants.

Each of the insurance carriers, Premera and Group Health, received notification on or about January 15, 2015 that the Office of Insurance Commissioner (the "OIC") rejected the rating methodology utilized by Premera and Group Health for the issuance of health care coverage to the Trust at large group rates.

On behalf of the above referenced parties, we hereby demand a hearing before an administrative law judge pursuant to RCW 48.04.010 *et seq.* to challenge the action by the OIC on the grounds set forth below. These grounds, however, may be supplemented at a later date.

The parties also hereby request, pursuant to RCW 48.04.020(2), that the OIC grant a stay of all the OIC directives and actions, pending a decision in this action. In this regard, the parties further request a stay of this administrative action pending the OIC's examination of the 2015 filings by Premera and Group Health on behalf of the parties. In this regard, the Hearing Examiner should be aware that this hearing request is for an OIC denial based on 2014 contract filings. There is no one covered under the 2014 policies and the policies are no longer being sold. Therefore, there is no current case or controversy with respect to the 2014 policies. For this reason, the hearing on the 2014 policies should be stayed until the OIC makes a determination on the 2015 policies, and through the subsequent 90 day period to request a hearing. At that point, the two matters could either be consolidated or the parties could agree that any issues under the 2014 policies could be dismissed without further OIC action and that the parties would litigate only the issues under the 2015 policies. The parties request that the Hearing Examiner establish a conference call to determine whether the

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OIC is agreeable to such a stay. Depending on the results of such a call, the parties may seek a stay by a court.

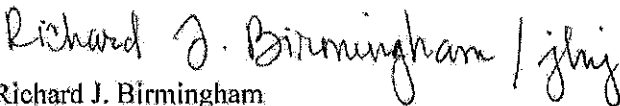
With respect to the rating methodology, our clients take the following positions: (1) the rating methodology utilized by each of Premera and Group Health is in compliance with state law and federal law; (2) the OIC's rating methodology violates state law and violates the state court's decision in *Associated Industries of the Inland Northwest and the Association of Washington Businesses v. State of Washington Office of the Insurance Commissioner; Mike Kreidler*, No. 2007-02-00592-1, Superior Court, Spokane, August 27, 2007; (3) the OIC's rating methodology is not required by federal law; and, lastly (4) the OIC's unilateral change to the state's rating methodology is an unconstitutional exercise of legislative authority, an issue not within the jurisdiction of this administrative proceeding.

Due to the OIC's action, the rights of the association-sponsors' employees to current coverage under the policies issued by Premera and Group Health are adversely affected. Both Premera and Group Health have been told to discontinue policies and to transition employees. Thus, the insurance coverage of the approximately 4,086 employee participants will be disrupted. As a result of this disruption, the Trust's 93 member employers and/or their employees will likely face increased costs for any new coverage that may be obtained in the small group or individual market. Additionally, the small group or individual policies available for purchase will not be tailored to meet the needs of the Trust's industry.

Upon receipt of this letter, please acknowledge receipt and schedule a conference to be held after April 13, 2015, to determine whether the OIC is agreeable to stay the issues regarding the 2014 policies until a ruling is made with respect to the 2015 policies, and the subsequent 90 day period to request a review, as there is no case or controversy related to the 2014 policies and no one is currently covered by such policies and such policies are no longer being sold. Please serve copies of all future papers and proceedings herein upon Richard J. Birmingham and Christine Hawkins at the address listed above.

Yours truly,

Davis Wright Tremaine LLP


Richard J. Birmingham
RJB:jhj

cc: Commissioner Mike Kreidler (via U.S. Mail)
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