

**PROCEEDING BEFORE THE HONORABLE MICHAEL D. RILEY
INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA
IN RE:**

CITY OF HUNTINGTON

**ADMINISTRATIVE PROCEEDING #
12-AP-MCSI-02014**

**AGREED ORDER ADOPTING REPORT OF
SELF-INSURED COMPLIANCE AUDIT**

NOW COMES The Honorable Michael D. Riley, Insurance Commissioner of the State of West Virginia, and issues this Agreed Order which adopts the Report of Self Insured Compliance Audit. The Agreed Order is a result of findings in the Report of Self Insured Compliance Audit for the examination of **CITY OF HUNGTINTON** (hereinafter "Company") for the audit period ending December 31, 2010 based upon the following, to wit:

PARTIES

1. The Honorable Michael D. Riley is the Insurance Commissioner of the State of West Virginia (hereinafter "Insurance Commissioner") and is charged with the duty of administering and enforcing, among other duties, the provisions of Chapter 33 and 23 of the West Virginia Code, as amended, including all Code of State Rules.

2. **CITY OF HUNTINGTON** is a corporation authorized to transact and conduct its workers' compensation affairs in a self-insured capacity in West Virginia pursuant to the provisions of West Virginia Code §23-2-9.

3. This self insured audit was conducted and instituted as result and per the authority of W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and West Virginia Code of State Rules §85-18-1, *et seq.*

FINDINGS OF FACT

1. A Self Insured Compliance Audit concerning the operational affairs of CITY OF HUNTINGTON for the period ending December 31, 2010, was conducted in accordance with W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and West Virginia Code of State Rules §85-18-1, *et seq.* by auditors duly appointed by the Insurance Commissioner. The Self Insured Compliance Audit of the Company began on August 1, 2011 and concluded on September 14, 2011.

2. Upon completion of field work, a draft audit examination report was provided to the employer and third party administrator, and an opportunity was provided for comment.

3. The Self Insured Compliance Audit Report focused on the methods used by the Company to manage its operations for each of the business areas examined which includes how the Company complies with West Virginia statutes and rules. The examination covered thirty-one (31) standards derived from the NAIC Market Regulation Handbook, West Virginia Code and West Virginia Code of State Rules. The standards tested during the audit indicated that the Self-Insured Employer successfully “passed” twenty-one (21) standards and ten (10) standards were not applicable.

4. CITY OF HUNTINGTON has not responded to the Self Insured Compliance Audit Report.

5. CITY OF HUNTINGTON hereby waives additional notice and review of the Self Insured Compliance Audit Report, notice of administrative hearing, any and all rights to an administrative hearing and to appellate review of any matters contained herein this Agreed Order.

6. Any Finding of Fact that is more properly a Conclusion of Law is hereby adopted as such and incorporated in the next section.

CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction over the subject matter of and the parties to this proceeding.

2. This proceeding is pursuant to and in accordance with W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and West Virginia Code of State Rules §85-18-1, *et seq.*

3. That CITY OF HUNTINGTON has not incurred violations of West Virginia Code and/or West Virginia Code of States Rules as detailed in the Report of Self-Insured Compliance Audit.

4. The Insurance Commissioner is charged with the responsibility of verifying continued compliance with West Virginia Code and the West Virginia Code of State Rules by CITY OF HUNTINGTON as well as all other provisions of state law that CITY OF HUNTINGTON is subjected to by virtue of their self-insured workers' compensation status in the State of West Virginia.

5. Any Conclusion of Law that is more properly a Finding of Fact is

hereby incorporated as such and adopted in the previous section.

ORDER

Pursuant to West Virginia Code § **33-2-9(j)(3)(A)**, following the review of the Self-Insured Compliance Audit Report, the examination work papers, and CITY OF HUNTINGTON'S Response thereto, if any, the Insurance Commissioner and CITY OF HUNTINGTON have agreed to enter into this Agreed Order adopting the Self Insured Compliance Audit Report.

It is accordingly **ORDERED** as follows:

(A) The Self Insured Compliance Audit Report of CITY OF HUNTINGTON for the period ending December 31, 2010, is hereby **ADOPTED** and **APPROVED** by the Insurance Commissioner.

(B) It is **ORDERED** that CITY OF HUNTINGTON will take under advisement all recommendations, if any, made in the Report.

(C) It is further **ORDERED** that CITY OF HUNTINGTON shall continue to monitor its compliance with the West Virginia Code, the West Virginia Code of State Rules and all laws it is subject thereto.

(D) It is finally **ORDERED** that all such review periods, statutory notices, administrative hearings and appellate rights are herein waived concerning this Self Insured Compliance Audit Report and Agreed Order. All such rights are reserved by the Parties regarding any future action taken, if any, on such Agreed Order by the Insurance Commissioner against CITY OF HUNTINGTON.

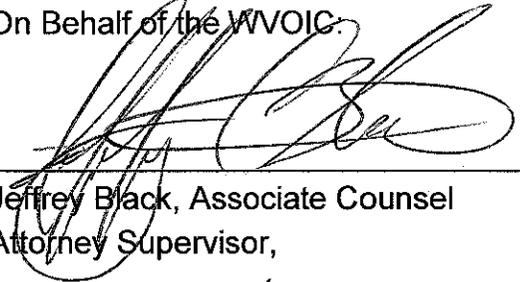
Entered this 26 day of February, 2013.

Michael D. Riley

The Honorable Michael D. Riley
Insurance Commissioner
State of West Virginia

REVIEWED AND AGREED TO BY:

On Behalf of the WVOIC:



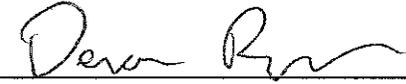
Jeffrey Black, Associate Counsel
Attorney Supervisor,

Dated: 2/26/13

On Behalf of CITY OF HUNTINGTON:

By: Deron Runyon
[Print Name]

Its: Treasurer

Signature: 

Date: 2/22/2013