

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

**In the Matter of the COMMERCIAL)
COMPENSATION CASUALTY COMPANY (f/k/a) **Docket No. 2886-CO**
Commercial Compensation Insurance Company)**

CONSENT ORDER

Pursuant to the authority granted the Commissioner of Insurance by Kansas Statutes Annotated (K.S.A.) 40-222, K.S.A. 40-222b, and K.S.A. 40-222d, and in accordance with the Kansas Administrative Procedure Act, K.S.A. 77-501, et seq.,

I, Kathleen Sebelius, the duly elected, qualified, and acting Commissioner of Insurance of the State of Kansas, hereby make the following findings of fact, conclusions of law, and order, to wit:

Findings of Fact and Conclusions of Law

1. Commercial Compensation Casualty Company is an insurance company incorporated under the laws of the State of California.
2. Commercial Compensation Insurance Company was an insurance company incorporated under the laws of the State of New York.
3. Commercial Compensation Casualty Company was admitted to transact the business of insurance in the State of Kansas on March 24, 2000, pursuant to the authority of K.S.A. 40-901 and K.S.A. 40-1102.
4. Commercial Compensation Insurance Company was admitted to transact the business of insurance in the State of Kansas on August 10, 1962, pursuant to the authority of K.S.A. 40-901 and K.S.A. 40-1102.

5. Commercial Compensation Insurance Company redomesticated from New York to California. The redomestication was effected by the merger of Commercial Compensation Insurance Company with and into Commercial Compensation Casualty Company, effective May 23, 2000.

6. Commercial Compensation Casualty Company was the surviving company, therefore, Commercial Compensation Insurance Company is no longer in existence.

7. The Commissioner of Insurance of the State of Kansas has jurisdiction over the subject matter of this proceeding and over the operation of Commercial Compensation Casualty Company in this state, and this proceeding is in the public interest.

8. The Annual Statement of the Commercial Compensation Insurance Company for the year ended December 31, 1999 indicates Commercial Compensation Insurance Company's pure surplus was \$58,150, which was \$541,850 below the Kansas statutory minimum surplus requirement of \$600,000 required by K.S.A. 40-1102 and K.S.A. 40-901.

9. Commercial Compensation Casualty Company assumed all of the assets and liabilities of Commercial Compensation Insurance Company as a result of the merger on May 23, 2000. The financial condition of Commercial Compensation Casualty Company subsequent to the merger was substantially the same as the financial condition of Commercial Compensation Insurance Company immediately prior to the merger.

10. Commercial Compensation Casualty Company's pure surplus does not meet the Kansas statutory surplus requirement of \$600,000 required by K.S.A. 40-1102 and 40-901.

11. On or about June 9, 2000, the Superior Court of the State of California for the County of Los Angeles appointed the California Insurance Commissioner as Conservator of the Commercial Compensation Casualty Company.

12. The financial condition of Commercial Compensation Casualty Company is such that the continued operation of the company in this state is hazardous to the insuring public pursuant to K.S.A. 40-222, K.S.A. 40-222b, and K.S.A. 222d.

13. The California Insurance Commissioner, as Conservator of the Company, waives his right to an administrative hearing in accordance with the provisions of the Kansas Administrative Procedures Act, K.S.A. 77-501, et seq., and consents to these findings of fact and conclusions of law and the following order of the Commissioner.

IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

1. The Certificate of Authority of Commercial Compensation Casualty Company is hereby suspended effective the date of this Consent Order. Said suspension will continue until such time as the Commissioner of Insurance determines the company is no longer in a hazardous financial condition.

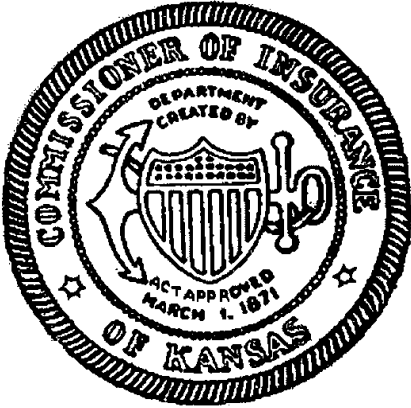
2. Commercial Compensation Casualty Company will refrain from writing any new or renewal direct business in the State of Kansas.

3. Commercial Compensation Casualty Company shall refrain from entering into any new or renewal reinsurance contracts of any kind with a Kansas domiciled insurance company.

4. The California Insurance Commissioner, as Conservator of the Company, may petition the Commissioner of Insurance to modify the provisions of the Consent Order at any time by a written request demonstrating the hazardous financial condition of the company has been rectified.

5. The Commissioner of Insurance retains jurisdiction in this matter and for the purpose of entering such further order or orders as may be deemed proper and necessary.

IT IS SO ORDERED THIS 7th DAY OF September, 2000, IN THE CITY OF
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Kathleen Sebelius

Kathleen Sebelius

Commissioner of Insurance

BY

/s/ Kathy Greenlee

Kathy Greenlee

General Counsel

APPROVED BY:

/s/ Patricia K. Staggs

Patricia K. Staggs

Acting General Counsel

California Insurance Department