

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

In the Matter of the Joint Application)	
Filed Pursuant to K.S.A. 40-1220 by)	
)	
GREAT PLAINS MUTUAL INSURANCE COMPANY)	
INSURANCE COMPANY)	
)	
and)	Docket No. 3010-M
)	
COLUMBIA MUTUAL INSURANCE)	
COMPANY)	

ORDER

NOW on this 25th day of July, 2001, the above matter comes before the Commissioner of Insurance of the State of Kansas upon the filing of a Joint Application pursuant to K.S.A. 40-1220 ("Joint Application") by Great Plains Mutual Insurance Company, a Kansas domestic mutual insurer organized and operated pursuant to K.S.A. 40-1201 *et seq.* (Great Plains), and Columbia Mutual Insurance Company, a Missouri mutual insurer ("Columbia").

The Joint Application, which was filed by the Applicants with the Kansas Insurance Department on June 13, 2001 pursuant to K.S.A. 40-1220, relates to the proposed merger of Great Plains with and into Columbia, which shall be the surviving company.

Great Plains and Columbia are represented by their attorney, James E. Cunningham. The Kansas Insurance Department is represented by its General Counsel, Kathy Greenlee and Staff Attorney, Deletria Nash. Also appearing for the Kansas

Insurance Department are Don Gaskill, Chief Examiner, Patrick Mulvihill and John McCarvel of the Financial Surveillance Division.

All parties are relying on documentary and contractual representations filed with the Kansas Insurance Department

FINDINGS OF PUBLIC INTEREST AND POLICY

The purpose of filing the Joint Application was to obtain the approval of the Kansas Insurance Department for the proposed merger of Great Plains with and into Columbia. The terms and conditions of the proposed merger is more fully set forth in the Merger Agreement and the Joint Application.

Significant documents have been reviewed by representatives of the Financial Surveillance Division and the Legal Division of the Kansas Insurance Department, and the Commissioner has had the benefit of their technical expertise and advice.

The Applicants have submitted the following documents as Exhibits to the Joint Application:

- Exhibit A Plan and Agreement of Merger
- Exhibit B-1 Excerpt of Minutes from Great Plains Board of Directors Meeting
- Exhibit B-2 Excerpt of Minutes from Columbia Mutual Board of Directors Meeting
- Exhibit C-1 Minutes of Great Plains Policyholder Meeting
- Exhibit C-2 Minutes of Columbia Mutual Policyholder Meeting
- Exhibit D-1 Certificate of Secretary – Great Plains Mutual Insurance Company

- Exhibit D-2 Certificate of Secretary – Columbia Mutual Insurance Company
- Exhibit E-1 Affidavit of Secretary/General Counsel – Great Plains Mutual Insurance Co.
- Exhibit E-2 Affidavit of Secretary/General Counsel – Columbia Mutual Insurance Company
- Exhibit F-1 Quarterly Financial Statement – Great Plains Mutual Insurance Company
- Exhibit F-2 Quarterly Financial Statement – Columbia Mutual Insurance Company
- Exhibit G-1 Certificate of President – Great Plains Insurance Company
- Exhibit G-2 Certificate of President – Columbia Mutual Insurance Company

The staff of the Kansas Insurance Department has inspected and reviewed the contents of the Joint Application and all Exhibits attached thereto and found that the filing of the Joint Application and Exhibits attached thereto is in accordance with K.S.A. 40-1220 and that the Joint Application and Exhibits attached thereto have provided all the information required under Kansas statutes to enable the Commissioner to render a decision on the Joint Application.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Great Plains is a mutual insurance company organized and operating pursuant to the provisions of Article 12 of the Kansas Insurance Code, with its home office located in Salina, Kansas. Great Plains became authorized to transact business in Kansas on April 25, 1971;

2. Columbia is a mutual insurance company organized and operating pursuant to the provisions of Chapter 379 of the Missouri Insurance Code, with its home office located in Columbia, Missouri. Columbia Mutual became authorized to transact business in Kansas on February 13, 1987;

3. According to K.S.A. 40-1217, a domestic mutual insurance company organized pursuant to K.S.A. chapter 40, article 12 may merge with any other, other than life, solvent non-domestic mutual insurance company which is authorized to do insurance business in this state if such merger is authorized by the laws of the state in which such non-domestic company is organized.

4. K.S.A. 40-1218 sets forth the procedure that must be following when merging mutual insurance companies. The first requirement is that the directors of each company shall enter into a joint agreement prescribing the terms and conditions of the merger.

5. On February 26, 2001, a meeting of the Board of Directors of Great Plains was convened pursuant to notice duly provided to each Board member in accordance with the Articles, By-Laws and all laws applicable to Great Plains. The purposes of the meeting was to consider the proposed merger of Great Plains with and into Columbia Mutual;

6. On March 7, 2001, a meeting of the Board of Directors of Columbia Mutual was convened pursuant to notice duly provided to each Board member in accordance with the Articles, By-Laws and all laws applicable to Columbia Mutual. The purposes of the meeting was to consider the proposed merger of Great Plains with and into Columbia Mutual;

7. The Boards of Directors of Great Plains and Columbia each unanimously approved the merger as set forth in the Plan and Agreement of Merger of Great Plains with and into Columbia Mutual;

8. The second requirement of K.S.A. 40-1218 is that the agreement shall not be effective unless the same shall be approved by the policyholders of the companies and the Commissioner of Insurance.

9. The Merger Agreement was presented to the policyholders of each of the Merging Corporations at policyholder meetings held on February 26, 2001 (Great Plains) and May 15, 2001 (Columbia Mutual) pursuant to notice duly provided in accordance with the Articles and By-Laws and all statutory provisions applicable to each company. The policyholders of each of the Merging Corporations unanimously approved the Merger Agreement;

10. Great Plains and Columbia Mutual filed a certified copy of a Joint Application for Approval of Merger with the Kansas Insurance Department on June 13, 2001;

11. The Joint Application is in compliance with the provisions of K.S.A. 40-1220.

12. Evidence has been introduced to establish that the mergers of Great Plains and Columbia, as proposed in the Joint Application, will not be hazardous or prejudicial to the insurance-buying public.

13. The evidence submitted supports approval of the proposed Plan and Agreement of Merger of Great Plains with and into Columbia Mutual;

14. The evidence shows that the competence, experience and integrity of those persons who would control the surviving entity, Columbia Mutual, are such that it would

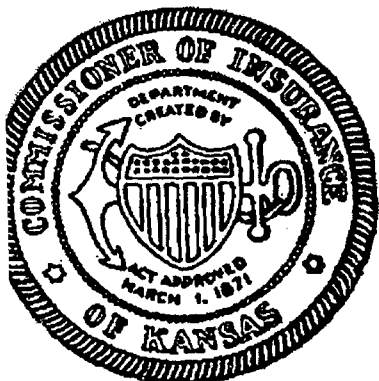
be in the interest of policyholders and of the public to permit the Plan and Agreement of Merger.

15. The proposed merger of Great Plains and Columbia is also subject to the approval of the Director of Insurance of the State of Missouri because Columbia is a Missouri domestic mutual insurer.

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

1. The Joint Application for Approval of Merger of Great Plains Mutual Insurance Company with and into Columbia Mutual Insurance Company as set forth in the Plan and Agreement of Merger and Exhibits attached thereto is hereby approved pursuant to K.S.A. 40-1221, provided the merger is effected within sixty (60) days of the date of this Order.
2. The Commissioner of Insurance retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further Order or Orders as may be deemed proper.

IT IS SO ORDERED THIS 25th DAY OF JULY, 2001, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.





Kathleen Sebelius
Commissioner of Insurance

By: 

Kathy Greenlee
General Counsel