

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

In the Matter of **The** )  
**Millers Insurance Company** )      Docket No. 3063-CO

**CONSENT ORDER**

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

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**

1.      The Millers Insurance Company (“The Millers”) is an insurance company incorporated under the laws of the State of Texas with its registered corporate office being located at 777 Main Street, Suite 100, Fort Worth, Texas, 76102.

2.      The Millers was admitted to transact the business of insurance in the State of Kansas on May 18, 1995, pursuant to the authority of K.S.A. §§ 40-901 and 40-1102.

3.      The Commissioner of Insurance of the State of Kansas has jurisdiction over the subject matter of this proceeding and over the operation of The Millers in this State, and this proceeding is held in the public interest.

4.      The Millers’ December 31, 2001 Annual Statement reports policyholders surplus of \$5,730,155, representing a decrease in policyholders surplus of \$7,327,182 during 2001. This leaves The Millers with pure surplus of only \$1,599,475.

5. The reduction in The Millers' policyholders surplus is primarily due to a net underwriting loss of a \$13,920,501.

6. The Millers Insurance Company has reported large underwriting losses each of the last five (5) years and large net losses for the previous three years.

7. The Millers' financial status currently remains above the minimum of capital and surplus requirements as stated in K.S.A. §§ 40-901 and 40-1102. However, the circumstances, as viewed by the Kansas Insurance Department produce sufficient evidence regarding the financial stability and well being of the company to warrant the suspension of its Certificate of Authority in the State of Kansas.

#### **Conclusion of Law**

8. Based upon the information enumerated in paragraphs #4 thru #7 above, The Millers' affairs appear to be in an unsound condition so that its continued operation may be hazardous to the insuring public as contemplated by K.S.A. §§ 40-222, 40-222b, and 40-222d.

9. The Millers waives its right to a formal adjudicative proceeding in this matter and notice thereof; admits to the foregoing findings of fact and conclusions of law; and voluntarily consents to the following order of the Commissioner of Insurance.

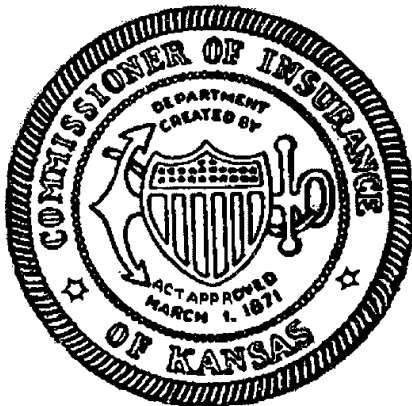
#### **IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:**

1. The Certificate of Authority of The Millers Insurance Company is hereby suspended, effective the date of this Consent Order. The Millers shall refrain from writing any new or renewal business in the State of Kansas until such time as the company can demonstrate to the Commissioner of Insurance that it is no longer in an unsound condition as to endanger policyholders, and its continued operation is no longer potentially hazardous to the Kansas insuring public.

2. The Millers shall take appropriate action to increase its capital and surplus to a level whereby the company's continued operation would no longer be in a hazardous financial condition.

3. The Commissioner of Insurance retains jurisdiction over this matter and over The Millers for the purpose of entering any further order or orders as may be deemed proper and necessary.

**IT IS SO ORDERED THIS 29th DAY OF MAY, 2002, 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

\_\_\_\_\_/s/ James Drawert\_\_\_\_\_  
For and on Behalf of The Millers Insurance Company