

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

In the Matter of FIRST)
CONTINENTAL LIFE & ACCIDENT) Docket No. 3173-CO
INSURANCE COMPANY)

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 Procedure Act, K.S.A. §§ 77-501, et seq., as amended,

I, Sandy Praeger, 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. First Continental Life & Accident Insurance Company (“First Continental”) is an insurance company incorporated under the laws of the State of Utah with its registered corporate office located at 1600 West 2200 South, Salt Lake City, Utah.

3. First Continental was admitted to transact the business of insurance in the State of Kansas on August 16, 1982 under the authority of K.S.A. § 40-402.

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

4. On or about March 3, 2003, First Continental filed financial statements for the year ending December 31, 2002 that indicate that the company’s surplus was negative

\$1,771,485, which was \$2,371,485 below the minimum surplus requirement of \$600,000 as required by K.S.A. § 40-402.

Conclusions of Law

5. Based upon the information enumerated in paragraph #4 above, First Continental Life & Accident Insurance Company's affairs appear to be in an unsound condition so that the continued operation of First Continental may be hazardous to the insuring public as contemplated by K.S.A. §§ 40-222b and 40-222d.

6. First Continental 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, BY THE COMMISSIONER OF INSURANCE, ORDERED
THAT:**

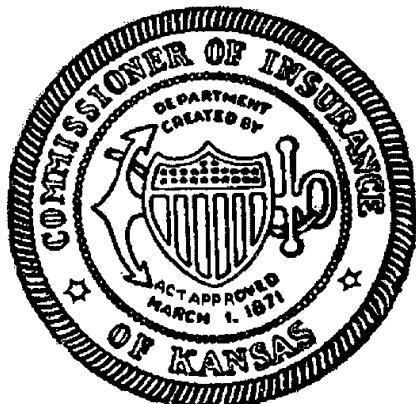
1. The Certificate of Authority of First Continental Life & Accident Insurance Company is hereby suspended, effective the date of this Consent Order.

2. First Continental 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 financial condition as to endanger policyholders, and the continued operation of First Continental is no longer potentially hazardous to the Kansas insuring public.

3. First Continental 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 and it is in compliance with the minimum surplus requirement as stated in K.S.A. § 40-402.

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

IT IS SO ORDERED THIS 18th DAY OF JUNE, 2003, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger _____
Sandy Praeger
Commissioner of Insurance
BY:

/s/ John W. Campbell _____
John W. Campbell
General Counsel

/s/ Dennis Larson _____
Dennis Larson, President & Chief Financial Officer
For and On Behalf of
First Continental Life & Accident Insurance Company