

**In the Matter of the Proposed Acquisition of the Control of
BENCHMARK INSURANCE COMPANY**

By

**TRAN CORPORATION,
ANDREW M. O'BRIEN, RICHARD C. BRAY,
AND STEVEN B. LEE**

TR?AN CORPORATION,)
ANDREW M. O'BRIEN, RICHARD C. BRAY,)
AND STEVEN B. LEE)

NOW on this 11th day of December, 2003, the above matter comes before the Commissioner of Insurance of the State of Kansas upon the filing of a pre-acquisition notice pursuant to K.S.A. 40-3304 and K.A.R. 40-1-28 in the form of a Form A Statement Regarding the Proposed Acquisition of Control ("Form A Statement") by Tr?an Corporation, Andrew M. O'Brien, Richard C. Bray, and Steven B. Lee ("Applicants"). Tr?an Corporation is sometimes referred to as the "Tr?an." The Form A Statement relates to the proposed acquisition of control of Benchmark Insurance Company ("Benchmark"), a Kansas domestic stock fire and casualty company, by the Applicant. Applicant is represented by its attorney, Derek Shafer, Esq., Shafer Law Firm. The Kansas Insurance Department is represented by its General Counsel, John W. Campbell. Also appearing for the Kansas Insurance Department are Deletria Nash, Staff Attorney; Don Gaskill, Director of the Financial Surveillance Division; Patrick Mulvihill, Assistant Director of the Financial Surveillance Division; and Mark Owens, Financial Analyst.

Applicant wishes to resolve this matter without formal adjudicative proceedings by entering into this consent order.

FINDINGS OF PUBLIC INTEREST AND POLICY

The following declarations of public interest and policy are made by the Commissioner pursuant to K.S.A. 40-3301.

The Commissioner finds and declares that it is consistent with the public interest, K.S.A. 40-3301 and the interest of policyholders to permit insurers, which includes health maintenance organizations:

- (a) to engage in activities which would enable insurers to make better use of management skills and facilities;
- (b) to diversify into new lines of business through acquisition or organization of subsidiaries;
- (c) to have free access to capital markets which could provide funds for insurers to use in diversification programs;
- (d) to implement sound tax-planning conclusions; and
- (e) to serve the changing needs of the public and adapt to changing conditions of the social, economic and political environment so that insurers are able to compete effectively and to meet the growing public demand for institutions capable of providing a comprehensive range of financial services.

The Commissioner further declares that policies and purposes in K.S.A. 40-3301, et seq. are to promote the public interest by:

- (a) facilitating the achievement of the objectives enumerated in K.S.A. 40-3301 and set out above;
- (b) requiring disclosure of pertinent information relating to changes in control of an insurer;
- (c) requiring disclosure by an insurer of material transactions and relationships between the insurer and its affiliates, including certain dividends paid by the insurer; and
- (d) providing standards governing material transactions between an insurer and its affiliates.

The findings and conclusions stated herein are based upon the statements made by the Applicant in the Form A Statement and amendments thereto and accompanying documents filed with the Kansas Insurance Department by the Applicant pursuant to K.S.A. 40-3304(b) and K.A.R. 40-1-28.

Significant documents have been reviewed by representatives of the Financial Surveillance and Legal Divisions of the Kansas Insurance Department, and the Commissioner has had the benefit of their technical expertise and advice as provided in K.S.A. 77-546(c).

The purpose of the filing of the Form A Statement is to seek authority from the Kansas Insurance Department for the proposed acquisition of control of Benchmark by the Applicant. The terms and conditions of the proposed acquisition are more fully set forth in the Form A Statement filed with the Commissioner of Insurance dated July 28, 2003 and subsequently amended, pursuant to the Kansas Insurance Holding Companies Act, K.S.A. 40-3301, et seq.

The Applicant has submitted Exhibits to the Form A Statement, including, but not limited to, a Reorganization Diagram, the Agreement to Purchase Stock, and Financial Statements.

The staff of the Kansas Insurance Department has inspected and reviewed the contents of the Form A statement and amendments thereto and Exhibits attached thereto, to the extent necessary, and found that the filing of the Form A Statement and Exhibits thereto are in accordance with K.S.A. 40-3304 and K.A.R. 40-128 and that the Form A statement and amendments thereto and Exhibits attached thereto have provided the information required under Kansas statutes to enable the Commissioner to render a decision on the application.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Benchmark, a Kansas fire and casualty company, was organized under the laws of Kansas on May 5, 1964, and became authorized to transact business in Kansas on June 30, 1964.

2. Supermarket Insurance Agency, Inc. ("SIA"), a Kansas corporation, owns 100 percent of the shares of Benchmark.

3. Associated Wholesale Grocers, Inc., a Kansas corporation, owns 100 percent of the shares of SIA and is considered to be the ultimate controlling parent of Benchmark.

4. Tr?an, a Minnesota corporation, is a holding company, reinsurance intermediary manager, and a managing general agency.

5. Applicants are seeking to acquire all outstanding shares of Benchmark by acquiring all outstanding voting shares of SIA.

6. After the acquisition of all outstanding shares of SIA, Tr?an will become the ultimate controlling parent of Benchmark.

7. The Applicant filed a duly certified copy of the Form A statement with the Kansas Insurance Department dated July 28, 2003. The Form A statement was subsequently amended.

8. The Kansas Insurance Department commenced a market conduct examination on Benchmark on September 15, 2003.

9. Review of evidence establishes that, after the acquisition of control as proposed in the Form A statement, the Applicant will be able to satisfy the requirements necessary for maintaining the business of Benchmark to the satisfaction of the policyholders.

10. Evidence establishes that, after the acquisition of control as proposed in the Form A statement and amendments thereto, Benchmark will be able to satisfy the requirements for the issuance of a license to write the line or lines of business for which it is presently licensed.

11. No evidence has been introduced to establish that the financial condition of the Applicant will jeopardize the financial stability of Benchmark or prejudice the interest of the policyholders.

12. Evidence has been introduced which shows that the Applicant has no plans or proposals to liquidate Benchmark, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management which would be unfair and unreasonable to the policyholders of Benchmark and not be in the public interest.

13. Evidence has been introduced to establish that the competence, experience and integrity of those persons who will control the operation of Benchmark after the acquisition are such that will be in the interest of the policyholders of Benchmark and of the public interest to permit the acquisition.

14. Evidence has been introduced to establish that the acquisition will not be hazardous or prejudicial to the insurance-buying public.

15. The Form A statement and amendments thereto is in compliance with the provisions of the Kansas Insurance Holding Companies Act, K.S.A. 40-3301, et seq. and K.A.R. 40-1-28.

16. The evidence submitted supports approval of the proposed acquisition of control of Benchmark by the Applicant.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The application by Tr?an Corporation to acquire control of Benchmark Insurance Company in the manner set forth in the Form A statement and amendments thereto and Exhibits attached thereto is hereby approved pursuant to K.S.A. 40-3304, provided the acquisition is effected within sixty days of the date of this order.

2. Tr?an Corporation accepts the findings of the market conduct examination commenced by the Kansas Insurance Department on September 15, 2003.

3. 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.

Notice of Rights

Tr?an Corporation is entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If desires a hearing, the company must file a written request for a hearing with:

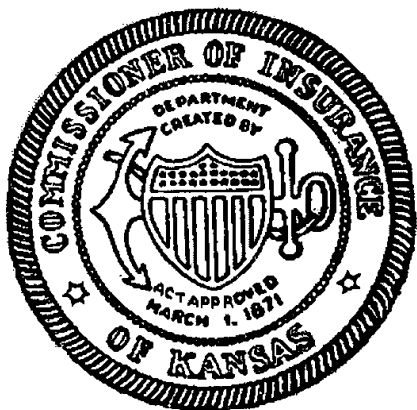
John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612.

This request must be filed within fifteen (15) days from the date of service of this Order. If Tr?an Corporation requests a hearing, the Kansas Insurance Department will notify the company of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. § 77-613. In the event that Tr?an Corporation files a petition for judicial review, pursuant to K.S.A. § 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612.

IT IS SO ORDERED THIS 11th OF DECEMBER, 2003, IN THE CITY OF
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger _____
Sandy Praeger
Commissioner of Insurance

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

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Order was forwarded via first class mail, postage prepaid on the _11th_ day of December, 2003 to:

Derek J. Shafer, Esq.
Shafer Law Office
Jayhawk Tower
700 SW Jackson
Roof Garden Suite
Topeka, Kansas 66603

____ John W. Campbell _____
John W. Campbell
General Counsel