

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

In the Matter of:)	
THE ADOPTION OF THE)	
FINANCIAL CONDITION EXAMINATION)	Docket No. 3335-ER
REPORT AS OF DECEMBER 31, 2002)	
OF BENCHMARK INSURANCE COMPANY)	

ORDER

NOW comes on for formal disposition the matter of the proposed adoption of the Report on Examination as of December 31, 2002 of Benchmark Insurance Company (“Benchmark”), a Kansas corporation. This matter is brought before the Commissioner of Insurance pursuant to the provisions of K.S.A. § 40-222.

I, Sandy Praeger, the duly elected, qualified, and acting Commissioner of Insurance, having fully considered and reviewed the Report, together with all written submissions, applicable rebuttals, and all relevant portions of the examiners’ work papers, and further, being fully advised on all premises, hereby find:

Policy Reasons

It is the stated policy of the State of Kansas that whenever the Commissioner of Insurance deems it necessary, an examination of the affairs and financial condition of any insurance company in the process of organization, applying for admission, or doing business in this State can be undertaken. In all cases, such an examination must occur at least once every five (5) years. Through the examination process, the insurance consuming public will be well served and protected.

Findings of Fact

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. § 40-222.
2. An examination of Benchmark was undertaken by the Kansas Insurance Department (“KID”) and was completed on April 1, 2004.
3. The examiner-in-charge tendered and filed with KID a verified Report on Examination of Benchmark Insurance Company as of December 31, 2002 (“Report”) within thirty (30) days following completion of the examination.
4. Following receipt of the Report, KID transmitted the Report to Benchmark on April 1, 2004, with a duly executed notice advising the company of its opportunity to prepare and submit to KID a written submission or rebuttal with respect to any and all matters contained in the Report. Benchmark was further advised that any written submission or rebuttal needed to be filed with KID no later than thirty (30) days after receipt of the Report.
5. On April 29, 2004 Benchmark filed a written Rebuttal of the Report, in which the company took exception to various matters contained within the Report.
6. After reviewing and considering the exceptions and comments stated in the company’s Rebuttal, KID agreed to modify the Report in response to some, but not all, of the exceptions raised in the Rebuttal. On May 20, 2004 a courtesy copy of the modified Report was transmitted to Benchmark.
7. On May 28, 2004 Benchmark advised KID, in writing, that it had no outstanding or additional objections to the Report, as modified.

Conclusions of Law

8. K.S.A. § 40-222 provides, in part, as follows:

(a) Whenever the commissioner of insurance deems it necessary . . . the commissioner may make, or direct to be made, an examination of the affairs and financial condition of any insurance company . . . doing business in this state . . .

(k) (1) No later than 30 days following completion of the examination or at such earlier time as the commissioner shall prescribe, the examiner in charge shall file with the department a verified written report of examination under oath. No later than 30 days following receipt of the verified report, the department shall transmit the report to the company examined, together with a notice which shall afford such company examined a reasonable opportunity of not more than 30 days to make a written submission or rebuttal with respect to any matters contained in the examination report.

(2) Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiners workpapers and enter an order:

(A) Adopting the examination report as filed or with modification or corrections. . . .

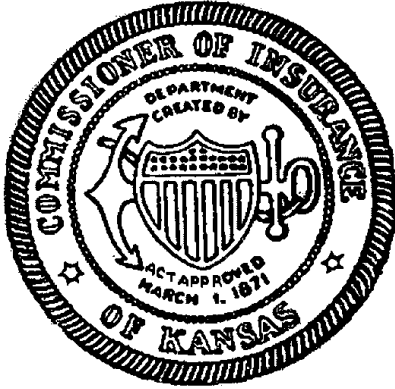
9. Based upon the Findings of Fact enumerated in paragraphs 1 through 7 above, the Report on Examination of Benchmark Insurance Company as of December 31, 2002 should be adopted.

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

1. The Report on Examination of Benchmark Insurance Company as of December 31, 2002, as modified, is adopted.

2. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further orders deemed appropriate or to take such further action necessary to dispose of this matter.

IT IS SO ORDERED THIS 7th DAY OF JUNE 2004, 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

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above Order was transmitted by U.S. Mail, postage prepaid, on this 7th day of June 2004, to:

John V. Spain
Benchmark Insurance Company
6701 West 64th Street, Suite 125
Shawnee Mission, Kansas 66202

 /s/ Linda J. Sheppard
Linda J. Sheppard
Assistant General Counsel