

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

In the Matter of **First Continental**)
Life & Accident Insurance Company) Docket No. 3475-RE

ORDER TO REINSTATE CERTIFICATE OF AUTHORITY

Pursuant to the authority granted the Commissioner of Insurance by Kansas Statutes Annotated (K.S.A.) 40-222, K.S.A. 40-222b, K.S.A. 40-222d, K.S.A. 40-222e, and K.S.A. 77-501, *et seq.*,

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 ("FCLAIC") is an insurance company incorporated under the laws of the State of Texas, with its main administrative office located at 12946 Dairy Ashford Ste. 360, Sugar Land, TX 77478.

2. FCLAIC was licensed 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 ("Commissioner") has jurisdiction over the operation of FCLAIC in this state and the subject matter of this proceeding.

4. On June 18, 2003, the Commissioner issued a Consent Order ("Order") suspending the Certificate of Authority of FCLAIC upon a finding that FCLAIC's financial affairs were in an unsound condition and the continued operation of the company was potentially hazardous to the insuring public. This finding was based on information contained in the

company's December 31, 2002 Annual Statement filed with the Commissioner indicating that FCLAIC's surplus was negative \$1,771,485, which was below the minimum surplus of \$600,000, as required under K.S.A. 40-402

5. Under this Order FCLAIC was ordered to refrain from writing any new or renewal business in the State of Kansas until such time as the company could demonstrate to the Commissioner that it was no longer in an unsound financial condition as to endanger policyholders, and the continued operation of FCLAIC was no longer potentially hazardous to the Kansas insuring public.

6. Effective August 31, 2004, Dental Economics, LP acquired a 100% interest in FCLAIC from Wasatch Crest Group, Inc. of Salt Lake City, Utah and redomesticated the corporate offices of FCLAIC to Sugar Land, Texas.

7. In a letter dated December 10, 2004, the company requested that our Department rescind the Consent Order against FCLAIC. The company also provided subsequent information to the Department for review.

9. Following receipt of this request, representatives of KID's Financial Surveillance Division obtained and reviewed copies of FCLAIC financial statements for the periods ending March 31, 2004, June 30, 2004, September 30, 2004, December 31, 2004 and March 31, 2005. As of March 31, 2005 the company's financial statement shows that the Company has capital and surplus of \$3,030,932.

10. Based on the financial condition and other information submitted by the company, it appears that the conditions that warranted the suspension of FCLAIC's certificate of authority on June 18, 2003 no longer exist and FCLAIC is no longer in an unsound financial condition and no longer potentially hazardous to the Kansas insuring public.

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

The Certificate of Authority of First Continental Life & Accident Insurance Company, is hereby reinstated and is authorized to conduct the business of insurance in the State of Kansas.

Notice of Rights

First Continental Life & Accident Insurance Company is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If First Continental Life and Accident Insurance Company 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 First Continental Life & Accident Insurance Company 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 the First Continental Life & Accident Insurance Company 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 26th DAY OF AUGUST, 2005, 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