

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

In the Matter of the Proposed Exemption)
of **RAYTHEON AIRCRAFT**)
ACQUISITION COMPANY, LLC) Docket No. 3596-EX

ORDER

Now comes on for disposition the request of Raytheon Aircraft Acquisition, LLC, dated November 3, 2006, for an Order, pursuant to K.S.A. 40-3304(e) (1), exempting it from the filing and approval requirements of K.S.A. 40-3304(a), as said statute may be construed to apply to the restructuring of the insurance holding company system of Travel Air Insurance Company, Ltd. Such restructuring is to be accomplished through a change in the ownership of Travel Air Insurance Company, Ltd., an insurance subsidiary of Raytheon Aircraft Holdings, Inc.

FINDINGS OF FACT

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-103 and K.S.A. 40-3301, *et seq.*
2. Raytheon Aircraft Acquisition Company, LLC ("Raytheon Acquisition") is a Delaware company incorporated on October 27, 2006.
3. Raytheon Acquisition has requested an exemption from the acquisition and approval requirements of the Kansas Insurance Holding Companies Act, specifically those requirements stated in K.S.A. 40-3304(a).
4. Raytheon Aircraft Holdings, Inc. ("Raytheon Holdings") is a Delaware-domiciled holding company for Travel Air Insurance Company, Ltd. ("Travel Air") and its subsidiary, Travel Air Insurance Company (Kansas) ("Travel Air Kansas").
5. Currently, 100% of the common stock of Travel Air is owned by Raytheon Holdings, whose stock is 100% owned by Raytheon Company. In turn, Travel Air owns 100% of the common stock of Travel Air Kansas. Therefore, the ultimate controlling person for both Travel Air and Travel Air Kansas is Raytheon Company.

6. On October 26, 2006, Raytheon Holdings adopted the following resolutions through a Unanimous Written Consent of Directors in Lieu of Meeting of the Board of Directors:

- a. Raytheon Holdings should form a single member limited liability company (“LLC”) of which Raytheon Holdings shall be the sole member and manager.
- b. The LLC shall be called “Raytheon Aircraft Acquisition Company, LLC”.

7. Raytheon Acquisition was formed in the state of Delaware on October 27, 2006 and is a sister company to Travel Air under Raytheon Holdings.

8. On December 6, 2006, Raytheon Holdings proposes to distribute the stock of Travel Air to Raytheon Acquisition, which will become the direct parent of Travel Air. Raytheon Company will remain the ultimate parent of all of the entities.

CONCLUSIONS OF LAW

9. K.S.A. 40-3304(a) provides, in part:

(a) No person other than the issuer shall . . . enter into any agreement to exchange securities, or, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, . . . at the time . . . any such agreement is entered into, . . . such person has filed with the commissioner of insurance and has sent to such insurer, a statement containing the information required by this section and such . . . agreement . . . has been approved by the commissioner of insurance in the manner hereinafter prescribed.

10. K.S.A. 40-3304(e) provides, in part:

(e) The provisions of this section shall not apply to:

Any offer, request, invitation, agreement or acquisition which the commissioner of insurance by order shall exempt therefrom as: (1) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer; . . .

11. Based upon the information enumerated in the Findings of Fact contained in paragraphs one through eight above, and the representations made on behalf of Raytheon Acquisition, the restructuring of the holding company system whereby the stock ownership of Travel Air will be distributed from Raytheon Holdings to Raytheon is not made for the purpose of and will not have the effect of changing or influencing the control of Travel Air and its subsidiary, Travel Air Kansas, which are Kansas-domiciled insurers.

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

1. Raytheon Aircraft Acquisition Company, LLC shall be exempt from the application of the formal filing and approval requirements of K.S.A 40-3304(a) as it may be deemed to apply to the reorganization of Raytheon Aircraft Holdings, Inc., the holding company for Travel Air Insurance Company, Ltd., provided the reorganization is effected within sixty (60) days of the date of this Order.

2. Raytheon Aircraft Acquisition Company, LLC shall comply with all of the provisions and requirements of K.S.A. 40-3301, *et seq.*, in the future.

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

Notice of Rights

Raytheon Aircraft Acquisition Company, LLC is entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If Raytheon Acquisition desires a hearing, it 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 Raytheon Acquisition requests a hearing, the Kansas Insurance Department will notify it 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 Raytheon Acquisition 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 27TH DAY OF NOVEMBER, 2006, 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