

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

In the Matter of the Proposed Exemption)	
)	
of)	Docket No. 3658-EX
)	
Brooke Brokerage Corporation)	

ORDER

Now comes on this 7th day of May, 2007 before the Commissioner of Insurance for disposition the request of Brooke Brokerage Corporation, dated March 8, 2007, ("Applicant") for an Order, pursuant to K.S.A. 40-3304(e), exempting Applicant 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 First American Capital Corporation. Such restructuring is to be accomplished through a change in the ownership of First American Capital Corporation, the entity that is the holding company for First Life America Corporation.

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. Applicant 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).
3. First American Capital Corporation, a Kansas-domiciled company, is the holding company for First Life America Corporation, a Kansas-domiciled insurance company.

4. Currently 100% of the common stock of First Life America Corporation is owned by First American Capital Corporation; 58.8% of the common stock of First American Capital Corporation is owned by Brooke Corporation. Brooke Corporation is a Kansas corporation, which also owns 100% of the common stock of Brooke Brokerage Corporation. Brooke Brokerage Corporation owns 100% of Brooke Savings Bank. Robert D. Orr, directly or indirectly owns approximately 71% of Brooke Holdings, Inc., which in turn owns 46% of the common stock of Brooke Corporation. Therefore, Robert D. Orr is the ultimate owner of First Life America Corporation.

5. Under a Stock Purchase Agreement dated February 14, 2007, between First American Capital Corporation and Brooke Brokerage Corporation, Brooke Brokerage Corporation would acquire 6,047,904 shares of First American Capital Corporation common stock (as adjusted per the Agreement to 2,015,968 shares after the April 13, 2007 1-for-3 reverse stock split of such common stock), which would represent approximately 39.51% of the then issued and outstanding shares of capital stock of First American Capital Corporation. In exchange for the First American Capital Corporation stock, Brooke Brokerage Corporation has agreed to transfer to First American Capital Corporation all of the capital stock of its wholly owned subsidiary, Brooke Savings Bank, a federal savings bank, which will result in First American Capital Corporation being the ultimate owner of Brooke Savings Bank.

6. Brooke Brokerage Corporation acquired the stock of Brooke Savings Bank (previously Generations Bank) on January 8, 2007, from Kansas City Life Insurance Company of Kansas City, Missouri. As of January 8, 2007 Brooke Savings Bank had approximately \$53.1 million in total assets and \$10.1 million in stockholders equity.

7. After First American Capital Corporation acquires Brooke Savings Bank from Brooke Brokerage Corporation, and Brooke Brokerage Corporation acquires the 2,015,968 shares of First American Capital Corporation common stock, Brooke Corporation's direct ownership percentage of the then issued and outstanding common stock of First American Capital Corporation would decrease from approximately 58.18% to approximately 35.19%. However, its direct and indirect beneficial ownership of First American Capital Corporation stock would increase to a total of 3,811,435 shares on a post-split basis (1,795,467 shares owned directly and 2,015,968 shares owned indirectly through Brooke Brokerage Corporation), or approximately 74.71% of the then issued and outstanding shares (5,101,785) of First American Capital Corporation common stock.

8. Following the stock purchase acquisition between First American Capital Corporation and Brooke Brokerage Corporation, Robert D. Orr will continue to be the ultimate controlling person of First Life America Corporation.

CONCLUSIONS OF LAW

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

(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

(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 Applicant, the restructuring of the holding company system whereby the purchase of common voting stock of First American Capital Corporation by Brooke Brokerage Corporation, is not made for the purpose of and will not have the effect of changing or influencing the control of First Life America Corporation, a Kansas-domiciled insurer.

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

1. Brooke Brokerage Corporation 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 Brooke Corporation, the holding company for First Life America Corporation, provided the reorganization is effected within sixty (60) days of the approval of the Office of Thrift Supervision. If such approval of the proposed transaction is not received from the Office of Thrift Supervision by February 2008, then this order is null and void.

2. Brooke Brokerage Corporation 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

Brooke Brokerage Corporation is entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If Applicant desires a hearing, they 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 Applicant requests a hearing, the Kansas Insurance Department will notify them 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 Applicant 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 _7th_ DAY OF MAY, 2007 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

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 __May__, 2007 to:

James H. Ingraham
Brooke Brokerage Corporation
General Counsel and Secretary
10950 Grandview Drive, Suite 600
Overland Park, KS 66210

_/s/ Deletria L. Nash_____
Deletria L. Nash
Assistant General Counsel