

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

In the Matter of the Proposed Exemption of)
Zurich Insurance Company) **Docket No. 3763-EX**
)

SUMMARY ORDER

NOW on this 28th day of February, 2008, the above matter comes before the Commissioner of Insurance of the State of Kansas upon the filing of a request for an extension request of Zurich Insurance Company (“Applicant”) regarding the filing requirements necessary to effect the restructuring of the insurance holding company system of Farmers Insurance Company, Inc., a Kansas-domiciled insurer, to be accomplished through a change in the ownership of Farmers Group, Inc., a holding company subsidiary for Zurich Financial Services, the ultimate controlling person of all of the above parties.

This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-3301, *et seq.*, and K.A.R. 40-1-28.

2. Applicant requested 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 Farmers Group, Inc. (“FGI”), a holding

company subsidiary of Zurich Financial Services, the ultimate controlling person for all of the above parties. The restructuring was to be accomplished through a change in the ownership of FGI.

3. The Commissioner of Insurance approved the request by Applicant to be exempt from the formal filing and approval requirements of K.S.A. 40-3304(a) as they apply to the reorganization of Farmers Insurance Company, Inc., provided the restructuring was effected within ninety (90) days of the date of the order.

4. The Commissioner signed the order on November 6, 2007.

5. On February 20, 2008, the Applicant requested that the Kansas Insurance Department extend the deadline for sixty days to effect the proposed restructuring because all of the pre-closing requirements had not yet been completed.

6. Evidence supports approval of the extension of the exemption request.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. An extension is hereby granted to the exemption request of the Applicant regarding the filing requirements necessary to affect the restructuring of insurance holding company system of Zurich Financial Services to be accomplished through a change in the ownership of Farmers Group, Inc., a holding company subsidiary of Zurich Financial Services, the ultimate controlling

person for all of the above parties, provided that the restructuring is effected no later than May 22, 2008.

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 as necessary to dispose of this matter.

Notice of Rights

You are entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If you desire a hearing, you 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 Summary Order. If you request a hearing, the Kansas Insurance Department will notify you 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 Summary 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 you file 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 28th DAY OF FEBRUARY, 2008, 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

Approved and Submitted by:

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

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Summary Order was forwarded via first class mail, postage prepaid on the 28th day of February 2008 to:

John S. Pruitt
Dewey & Lebeouf LLP
125 West 55th Street
New York, NY 10019-5389

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