

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

In the Matter of the Redomestication of)
HERITAGE CASUALTY INSURANCE COMPANY) Docket No. 4390-R
NAIC #32077)

ORDER OF REDOMESTICATION

NOW on this _23rd_ day of December, 2011, the above matter comes before the Commissioner of Insurance of the State of Kansas (“Commissioner”).

Heritage Casualty Insurance Company (“HCIC”) which was admitted to Kansas as an Illinois insurer on July 31, 1986, has applied to transfer its place of domicile from Illinois to Kansas pursuant to K.S.A. 40-2,162.

HCIC is represented by Kathleen Russell, their Vice President, General Counsel & Secretary.

The Kansas Insurance Department (“KID”) is represented by Zachary J.C. Anshutz, General Counsel. KID is also represented by Kenneth G. Abitz, Director of Financial Surveillance; Mark E. Owens, Principal Financial Analyst, and John Dowell, Staff Attorney.

All parties relied on documentary and contractual representations filed with the KID.

Whereupon the Commissioner makes the following:

Findings of Fact and Conclusions of Law

1. HCIC submitted all necessary materials to the Kansas Insurance Department in connection with the redomestication; and

2. The redomestication has been approved by the Office of the Commissioner of Insurance, state of Kansas.

Applicable Law

K.S.A. 40-2,162 states, in pertinent part:

- (a) An insurer organized under the laws of any other state and admitted to do business in this state for the purpose of writing insurance may become a domestic insurer by complying with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating the insurer's principal place of business at a place in this state...
- (d) The certificate of authority, agents' appointments and licenses, rates and other items which the Commissioner allows, in the Commissioner's discretion, that are in existence at the time an insurer licensed to transact the business of insurance in this state transfers the insurer's corporate domicile to this or any other state by merger, consolidation or any other lawful method shall continue in full force and effect upon transfer if the insurer remains duly qualified to transact the business of insurance in this state. For purposes of existing authorizations and all other corporate purposes, the insurer or mutual holding company is deemed the same entity as it was prior to the transfer of its domicile. All outstanding policies of a transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the company or the company's new location unless so ordered by the commissioner. A transferring insurer shall file new policy forms with the commissioner on or before the effective date of the transfer, but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the commissioner. However, every transferring insurer or mutual holding company shall notify the commissioner of the details of the proposed transfer and shall file promptly any resulting amendments to corporate documents filed or required to be filed with the commissioner...
- (f) A foreign insurer or mutual holding company shall file restated articles of incorporation and certificate of domestication with the secretary of state in a form prescribed by the secretary of state and approved by the insurance commissioner to transfer to this state. A domestic insurer shall file with the

NOTICE OF RIGHTS TO HEARING AND REVIEW

Within fifteen (15) days of the date of service of this Order, Heritage Casualty Insurance Company (“HCIC”) may submit a written request for a hearing pursuant to K.S.A. 77-537 and K.S.A. 77-542. Any request for a hearing should be addressed to the following:

Zachary J.C. Anshutz, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

If a hearing is requested, the Kansas Insurance Department will serve notice of the time and place of the hearing and information on procedures, right of representation, and other rights of parties relating to the conduct of the hearing.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order, without further notice, upon the expiration of time for requesting a hearing. In the event HCIC 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

Zachary J.C. Anshutz, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

Certificate of Service

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing **Order of Redomestication** and accompanying **Notice of Rights** on this 23rd day of Dec. , 2011, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Ms. Kathleen Russell
Vice President, General Counsel & Secretary
Heritage Casualty Insurance Company
7101 College Boulevard, Suite 1400
Overland Park, KS 66210

_ /s/ John Dowell _____
John Dowell
Staff Attorney