

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

In the Matter of the Discontinuation of Business of)
) Docket No. 4381 - I
Independence Indemnity Insurance Company)
NAIC No. 10951)

ORDER

NOW COMES on for formal disposition the matter of the discontinuance of business of Independence Indemnity Insurance Company (“IIIC”) This matter is brought before the Commissioner of Insurance pursuant to the provisions of K.S.A. 40-248.

I, Sandy Praeger, the duly elected, qualified, and acting Commissioner of Insurance (“Commissioner”), having fully considered and reviewed the matter and further, being fully advised on all premises, hereby find:

Findings of Fact

1. On June 24, 2002, the District Court of Shawnee County, Kansas, in Case No. 02 C 854, issued its Consent Order for Rehabilitation of a Domestic Insurance Company. The Commissioner was appointed as the Rehabilitator of IIIC and Dan Watkins was appointed Special Deputy Rehabilitator to carry out the rehabilitation pursuant to K.S.A. 40-3605 *et seq.*

2. On August 3, 2011, IIIC notified the Commissioner that it desired to discontinue its operations and conclude all business. It indicated that it was not aware of any debts, judgments or liabilities of any kind not otherwise noted in the financial statements provided.

3. On August 12, 2011, notice was published pursuant to K.S.A. 40-248 requiring any outstanding claims to be filed by October 1, 2011. No such claims have been filed.

4. Duly authorized representatives of the Commissioner have examined the books and papers of IIC and find no outstanding debts. Judgments or liabilities of IIC.

Conclusion of Law

5. The Commissioner has jurisdiction over this matter pursuant to K.S.A. 40-248 and is empowered to authorize the release of securities held pursuant to K.S.A. 40-229a upon a satisfactory examination of the books and papers of IIC.

Exercise of Discretion

Based upon the Findings of Fact enumerated in paragraphs #1 through #4 above, and pursuant to the authority described in paragraph #5 above, the Commissioner hereby authorizes the release of securities held pursuant to K.S.A. 40-229a at Central National Bank and the discontinuance of business by IIC.

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

1. The release of securities held pursuant to K.S.A. 40-229a is hereby authorized.
2. The discontinuance of business by IIC is hereby authorized.
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 necessary to dispose of this matter.

IT IS SO ORDERED THIS __21st__ DAY OF NOVEMBER, 2011 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_____/s/ Sandy Praeger_____
Sandy Praeger
Commissioner of Insurance

By:

_____/s/ Zachary J.C. Anshutz_____
Zachary J. C. Anshutz
General Counsel

NOTICE OF RIGHTS TO HEARING AND REVIEW

Within fifteen (15) days of the date of service of this Order, the Company 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 the 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

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** and accompanying **Notice of Rights** on this 21st day of November, 2011, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Daniel L. Watkins
Special Deputy Rehabilitator
4311 W. 6th Street, Suite C
Lawrence, Kansas 66049

/s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
General Counsel