

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

In the Matter of the Proposed Adoption)
of the Financial Condition Examination)
Report as of December 31, 2012) Docket No. 4621-ER
Kansas Mutual Insurance Company)
NAIC Code: 14362)

CONSENT ORDER

NOW COMES on for formal disposition the matter of the proposed adoption of the financial condition examination report as of December 31, 2012 of Kansas Mutual Insurance Company, a Kansas corporation. This matter is brought before the Commissioner of Insurance for adoption, rejection, or modification pursuant to the provisions of K.S.A. 40-222.

The Kansas Insurance Depart (“KID”) and Kansas Mutual Insurance Company wish to resolve this matter by entering into this Consent Order. Kansas Mutual Insurance Company hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all right conferred upon it under K.S.A. 77-501 *et seq.* This Consent Order constitutes the Final Order in this matter.

The Commissioner, having fully considered and reviewed the financial condition examination report, together with all written submissions, applicable rebuttals, and all relevant portions of the examiners’ work papers, and further, being fully advised on all premises, hereby find:

Policy Reasons

It is stated policy of the State of Kansas that whenever the Commissioner of Insurance deems it necessary, an examination of the affairs and financial condition of

any insurance company in the process of organization, applying for admission, or doing business in this State can be undertaken. In all cases, such an examination must occur once every five (5) years. Through the examination process, the insurance consuming public will be well served and protected.

Findings of Fact

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.

2. An examination of Kansas Mutual Insurance Company was undertaken by the Kansas Insurance Department and was completed on October 31, 2013.

3. The examiner-in-charge tendered and filed with the Kansas Insurance Department a verified written report of the examination within thirty (30) days following completion of the examination, to wit; November 25, 2013.

4. Following receipt of the verified report, the Kansas Insurance Department transmitted the report to Kansas Mutual Insurance Company on November 25, 2013, with a duly executed notice advising the company of its opportunity to prepare and submit to the Kansas Insurance Department a written submission or rebuttal with respect to any and all matters contained in the report. Kansas Mutual Insurance Company was further advised that any written submission or rebuttal needed to be filed with the Kansas Insurance Department no later than thirty (30) days after receipt of the verified report.

5. Kansas Mutual Insurance Company filed a written *comment* of the verified report on December 6, 2013.

6. Following receipt of the verified report, the Kansas Insurance Department transmitted the revised report to Kansas Mutual Insurance Company on December 6, 2013, with a duly executed notice advising the company of its opportunity to prepare and submit to the Kansas Insurance Department a written submission or rebuttal with respect to any and all matters contained in the report. Kansas Mutual Insurance Company was further advised that any written submission or rebuttal needed to be filed with the Kansas Insurance Department no later than ten (10) days after receipt of the verified report.

7. Kansas Mutual Insurance Company filed a written acceptance of the verified report on December 9, 2013.

8. Based upon the written submission tendered by Kansas Mutual Insurance Company, the company took no exceptions to matters contained in the verified report.

9. Within thirty (30) days of the end of the time period allowed for written submission or rebuttal, the Commissioner of Insurance fully reviewed the report, together with all written submissions and rebuttals provided by Kansas Mutual Insurance Company. The Commissioner of Insurance further reviewed all relevant workpapers.

10. No other written submissions or rebuttals were submitted by Kansas Mutual Insurance Company.

Conclusion of Law

11. K.S.A. 40-222(k)(2) provides:

“Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiners workpapers and enter an order:

- (A) Adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, regulation or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure such violations; or
- (B) rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation or information, and refiling pursuant to subsection (k); or
- (C) call and conduct a fact-finding hearing in accordance with K.S.A. 40-281 and amendments thereto for purposes of obtaining additional documentation, data, information and testimony.”

12. Based upon the Findings of Fact enumerated in paragraphs #1 through #10 above, the financial condition examination report as of December 31, 2012 of Kansas Mutual Insurance Company should be adopted.

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

1. The financial condition examination report as of December 31, 2012 of Kansas Mutual Insurance Company, is hereby adopted.

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 necessary to dispose of this matter.

IT IS SO ORDERED THIS 30th DAY OF December, 2013 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_____/s/ Sandy Praeger_____

Sandy Praeger

Commissioner of Insurance

By:

/s/ John Wine_____

John Wine

General Counsel

Approved By:

/s/ R. Dan Scott_____

R. Dan Scott, President

Kansas Mutual Insurance Company

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 __30th__ day of __December__, 2013, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

R. Dan Scott, President
Kansas Mutual Insurance Company
1435 SW Topeka Boulevard
Topeka, KS 66612-1818

/s/ Tian Xiao_____

Tian Xiao
Chief Examiner