

**FINAL ORDER**

**EFFECTIVE: 8-29-13**

**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, 2011 ) Docket No. 4600-ER  
Kansas Building Industry Workers' Compensation Fund )  
NAIC #900704 )

**CONSENT ORDER**

NOW COMES on for formal disposition the matter of the proposed adoption of the financial condition examination report as of December 31, 2011 of Kansas Building Industry Workers' Compensation Fund, a Kansas corporation. This matter is brought before the Commissioner of Insurance ("Commissioner") for adoption, rejection, or modification pursuant to the provisions of K.S.A. 40-222.

The Kansas Insurance Department ("KID") and Kansas Building Industry Workers' Compensation Fund wish to resolve this matter by entering into this Consent Order. Kansas Building Industry Workers' Compensation Fund hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all rights 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 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 has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. An examination of Kansas Building Industry Workers' Compensation Fund was undertaken by the Kansas Insurance Department and was completed on May 13, 2013.
3. The examiner-in-charge tendered and filed with the KID a verified written report of the examination within thirty (30) days following completion of the examination, to wit; May 13, 2013.
4. Following receipt of the verified report, the KID transmitted the report to Kansas Building Industry Workers' Compensation Fund on June 4, 2013, with a duly executed notice advising the company of its opportunity to prepare and submit to the KID a written submission or rebuttal with respect to any and all matters contained in the report. Kansas Building Industry Workers' Compensation Fund was further advised that any written submission or rebuttal needed to be filed with the KID no later than thirty (30) days after receipt of the verified report.

5. Kansas Building Industry Workers' Compensation Fund filed a written **rebuttal** of the verified report on July 1, 2013.

6. Following receipt of the verified report, the KID transmitted the revised report to Kansas Building Industry Workers' Compensation Fund on July 8, 2013, with a duly executed notice advising the company of its opportunity to prepare and submit to the KID a written submission or rebuttal with respect to any and all matters contained in the report. Kansas Building Industry Workers' Compensation Fund was further advised that any written submission or rebuttal needed to be filed with the KID no later than ten (10) days after receipt of the verified report.

7. Kansas Building Industry Workers' Compensation Fund filed a written acceptance of the verified report on August 20, 2013.

8. Based upon the written submission tendered by Kansas Building Industry Workers' Compensation Fund, 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 Building Industry Workers' Compensation Fund. The Commissioner further reviewed all relevant workpapers.

10. No other written submissions or rebuttals were submitted by Kansas Building Industry Workers' Compensation Fund.

#### **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, 2011 of Kansas Building Industry Workers’ Compensation Fund should be adopted.

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

- 1. The financial condition examination report as of December 31, 2011 of Kansas Building Industry Workers’ Compensation Fund, hereby is 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 \_\_29th\_\_ DAY OF AUGUST, 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

**Kansas Building Industry Workers'  
Compensation Fund**

BY:

\_\_\_\_\_  
/s/ J. Douglas Hamilton  
J. Douglas Hamilton  
President

\_\_\_\_\_  
Administrator, KBIWCF

**Certificate of Service**

The undersigned hereby certifies that he was served a true and correct copy of the above and foregoing **Consent Order** on this   29th   day of August, 2013, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Doug Hamilton  
Administrator  
Kansas Building Industry  
Workers' Compensation Fund  
2101 SW 36th St.  
Topeka, KS 66611

\_s/ Tian Xiao \_\_\_\_\_  
Tian Xiao  
Chief Examiner