

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

In the Matter of the Proposed Adoption )  
of the Organizational Examination Report )  
as of March 31, 2015 ) Docket No. 4753-ER  
**KaMMCO Casualty Company, Inc.** )

**CONSENT ORDER**

NOW COMES on for formal disposition the matter of the proposed adoption of the financial condition examination report as of March 31, 2015 of KaMMCO Casualty Company, Inc. ("KaMMCO"), 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 ("Department") and KaMMCO wish to resolve this matter by entering into this Consent Order. KaMMCO 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, finds:

**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 organizational examination of KaMMCO was undertaken by the Department and was completed on April 9, 2015.
3. The examiner-in-charge tendered and filed with the Department a verified written report of the organizational examination within thirty (30) days following completion of the organizational examination, to wit; April 9, 2015.
4. Following receipt of the verified report, the Department transmitted the report to KaMMCO on April 14, 2015, with a duly executed notice advising the company of its opportunity to prepare and submit to the Department a written submission or rebuttal with respect to any and all matters contained in the report. KaMMCO was further advised that any written submission or rebuttal needed to be filed with the Department no later than thirty (30) days after receipt of the verified report.
5. KaMMCO filed a written acceptance of the verified report on April 15, 2015.
6. Based upon the written submission tendered by KaMMCO, the company took no exceptions to matters contained in the verified report.

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

8. No other written submissions or rebuttals were submitted by KaMMCO.

### **Conclusion of Law**

9. 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.

10. Based upon the stated Policy Reasons and the Findings of Fact enumerated in paragraphs #1 through #8 above, the financial condition examination report as of March 31, 2015 of KaMMCO should be adopted.

**THEREFORE, BY AGREEMENT OF THE PARTIES, THE COMMISSIONER OF INSURANCE ORDERS THAT:**

1. The organizational examination report as of March 31, 2015 of KaMMCO Casualty Company, Inc. 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 \_\_20th\_\_ DAY OF \_\_\_\_April\_\_\_\_, 2015 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_/s/ Ken Selzer\_\_\_\_\_  
Ken Selzer, CPA  
Commissioner of Insurance

BY:

\_\_\_\_\_/s/ Diane Minear\_\_\_\_\_  
Diane Minear  
Interim General Counsel

**KaMMCO Casualty Company, Inc.**

BY:

\_\_\_\_\_/s/ Kurt Scott\_\_\_\_\_  
Kurt Scott  
President and Chief Executive Officer

**Certificate of Service**

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing **Consent Order** on this   20th   day of   April  , 2015, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Mr. Kurt Scott, President and Chief Executive Officer  
KaMMCO Casualty Company, Inc.  
623 SW 10<sup>th</sup> Avenue  
Topeka, KS 66612

\_s/ Kenneth Abitz \_\_\_\_\_  
Kenneth Abitz  
Director, Financial Surveillance