

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

In the Matter of the Proposed Adoption)
of the Financial Condition Examination) Docket No. 4919-CO
Report as of December 31, 2014)
Kansas Life and Health Insurance Guaranty Association)

CONSENT ORDER

NOW COMES on for formal disposition the matter of the proposed adoption of the financial condition examination report as of December 31, 2014 of Kansas Life and Health Insurance Guaranty Association. 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 Department ("KID") and Kansas Life and Health Insurance Guaranty Association wish to resolve this matter by entering into this Consent Order. Kansas Life and Health Insurance Guaranty Association 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 Life and Health Insurance Guaranty Association was undertaken by the Kansas Insurance Department and was completed on August 22, 2016.
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; August 26, 2016.
4. Following receipt of the verified report, the Kansas Insurance Department transmitted the report to Kansas Life and Health Insurance Guaranty Association, on August 31, 2016 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 Life and Health Insurance Guaranty Association 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 Life and Health Insurance Guaranty Association filed a written acceptance of the verified report on September 23, 2016.

6. Based upon the written submission tendered by Kansas Life and Health Insurance Guaranty Association, the Association 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 of Insurance fully reviewed the report, together with all written submissions and rebuttals provided by Kansas Life and Health Insurance Guaranty Association. The Commissioner of Insurance further reviewed all relevant workpapers.

8. No other written submissions or rebuttals were submitted by Kansas Life and Health Insurance Guaranty Association.

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 Findings of Fact enumerated in paragraphs #1 through #8 above, the financial condition examination report as of December 31, 2014 of Kansas Life and Health Insurance Guaranty Association should be adopted.

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

1. The financial condition examination report as of December 31, 2014 of Kansas Life and Health Insurance Guaranty Association 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 19th DAY OF October, 2016 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer

Ken Selzer, CPA

Commissioner of Insurance

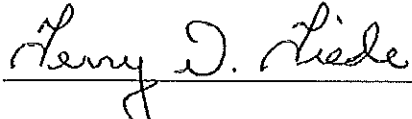
By:

Mary Diane Minear

Diane Minear

General Counsel

By:



Terry Tiede, Chair

Kansas Life and Health Insurance Guaranty Association

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 20th day of October, 2016, by causing the same to be e-mailed to lbecker@kslifega.org and/or by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Terry Tiede, Chair
Kansas Life and Health Insurance Guaranty Association
2909 SW Maupin Lane
Topeka, KS 66614



Tian Xiao
Chief Examiner