

FINAL ORDER

EFFECTIVE: 05/15/2019

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

In the Matter of the Financial Condition Examination)
Report as of December 31, 2017) Docket No. 78396
Alliance Indemnity Company)
Company Code: 33154)

ORDER

This matter is before the Commissioner for consideration of the financial condition examination report as of December 31, 2017 of Alliance Indemnity Company, a Kansas corporation. Before the Commissioner of Insurance is whether to adopt, reject, or modify the examination report pursuant to the provisions of K.S.A. 40-222.

The Commissioner of Insurance, having fully considered and reviewed the financial condition examination report, together with all written submissions, applicable rebuttals, and all relevant portions of the examiners' workpapers, and further, being fully advised on all premises, hereby finds:

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 has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. An examination of Alliance Indemnity Company was undertaken by the Kansas Insurance Department and was completed on March 1, 2019.
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, on March 1, 2019.
4. Following receipt of the verified report, the Kansas Insurance Department transmitted the report to Alliance Indemnity Company on April 18, 2019, 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. Alliance Indemnity 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. Alliance Indemnity Company filed a written acceptance of the verified report on April 30, 2019.
6. Based upon the written submission tendered by Alliance Indemnity Company, 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 of Insurance fully reviewed the report, together with all written submissions and rebuttals provided by Alliance Indemnity Company. The Commissioner of Insurance further reviewed all relevant workpapers.

8. No other written submissions or rebuttals were submitted by Alliance Indemnity Company.

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, 2017 of Alliance Indemnity Company should be adopted.

11. Alliance Indemnity Company 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. 40-222; K.S.A. 77-501, *et seq*; and K.S.A. 77-601, *et seq*.

12. This Order constitutes the Final Order in this matter.

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

1. The financial condition examination report as of December 31, 2017 of Alliance Indemnity Company 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.

3. Within 30 days of the issuance of the adopted report, the company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

4. The Commissioner of Insurance shall hold the content of the examination report as private and confidential information for a period of 30 days. Thereafter, the commissioner may open the report for public inspection so long as no court of competent jurisdiction has stayed its publication.

IT IS SO ORDERED THIS 15th DAY OF May, 2019 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Vicki Schmidt

Vicki Schmidt
Commissioner of Insurance

Justin McFarland

Justin McFarland
General Counsel, Kansas Insurance Dept.

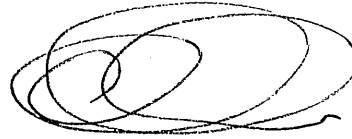
Alliance Indemnity Company
BY: *Brian Lopata*

Brian Lopata
President

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 20 day of May , 2019, by causing the same to e-mailed to Brian Lopata at Brian-Lopata@fami.org.

Brian Lopata, President
Alliance Indemnity Company
122 N. Main Street
McPherson, Kansas 67460



Christopher W. Buchanan
Senior Financial Examiner
Kansas Insurance Department