

Findings of Fact

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

2. An examination of Alliance Insurance Company, Inc. was undertaken by the Kansas Insurance Department and was completed on March 24, 1999.

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: March 25, 1997.

4. Following receipt of the verified report, the Kansas Insurance Department transmitted the report to Alliance Insurance Company, Inc. on April 8, 1999, 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 Insurance Company, Inc. was further advised that any written submission or rebuttal was requested to be filed with the Kansas Insurance Department no later than thirty (30) days after receipt of the verified report.

5. Alliance Insurance Company, Inc. filed a written rebuttal of the verified report on April 28, 1999.

6. The Kansas Insurance Department transmitted the revised report to Alliance Insurance Company, Inc. on July 7, 1999, 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 Insurance Company, Inc. 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. Alliance Insurance Company, Inc. filed a written acceptance of the revised verified report on July 15, 1999.

8. Based upon the written submission tendered by Alliance Insurance Company, Inc., the company takes no exceptions to matters contained in the revised 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 Alliance Insurance Company, Inc.. The Commissioner of Insurance further reviewed all relevant workpapers.

10. No other written submissions or rebuttals were submitted by Alliance Insurance Company, Inc..

Conclusions 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

