

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

In the Matter of DEERBROOK)
INSURANCE COMPANY) Docket No. 3002-CO

CONSENT ORDER

Deerbrook Insurance Company wishes to resolve this matter without formal adjudicative proceedings by entering into this consent order. The Commissioner of Insurance ("Commissioner") hereby makes the following findings of fact, conclusions of law, and order, to-wit:

Findings of Fact

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Deerbrook Insurance Company is a Kansas admitted, foreign insurance company with its office located at 2775 Sanders Road, Northbrook, Illinois 60062-6127 and is subject to the Kansas statutes regulating the business of insurance.
2. The Commissioner has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.
3. On September 8, 2000, Marlene Stirtz filed a complaint against Deerbrook Insurance Company with the Consumer Assistance Division ("CAD") of KID.
4. On September 11, 2000, CAD wrote Deerbrook Insurance Company requesting a response to the complaint filed by Marlene Stirtz no later than fifteen (15) days after receipt of the letter.

5. Deerbrook Insurance Company did not respond to the letter dated September 11, 2000.

6. On October 26, 2000, CAD sent a second letter regarding the complaint and requested an explanation as to why the initial inquiry had not been answered. The letter requested an immediate response and clearly explained the penalty for failure to respond to the proper inquiry of the Commissioner.

7. On November 22, 2000, Deerbrook Insurance Company responded to the complaint filed on September 8, 2000.

8. Deerbrook Insurance Company did not and has not explained why the company did not respond to the inquiry of the Commissioner.

Conclusions of Law

9. K.S.A. 40-2,125 provides, in part:

... (b) If any person fails to file any report or other information with the commissioner as required by statute or fails to respond to any proper inquiry of the commissioner, the commissioner, after notice and opportunity for hearing, may impose a penalty of up to \$500 for each violation or act, along with an additional penalty of up to \$100 for each week thereafter that such report or other information is not provided.

10. Based on the information contained in paragraphs four (4) through eight (8) above, it appears that Deerbrook Insurance Company failed to reply to a proper inquiry of the commission in violation of K.S.A. 40-2,125.

11. Deerbrook Insurance Company admits to the allegation set forth herein this order as described above.

12. For the purposes of this Consent Order, Deerbrook Insurance Company waives its right to a formal adjudicative proceeding and notice thereof

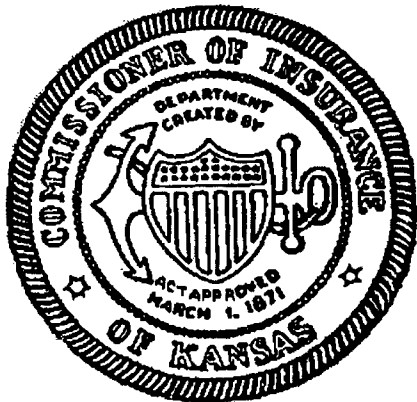
and voluntarily consents to the following order of the Commissioner of Insurance.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. Deerbrook Insurance Company shall immediately cease and desist from all acts alleged to be violation herein. Specifically, they shall cease and desist from failing to respond to the proper inquiry of the commissioner.

2. Deerbrook Insurance Company shall remit to the Kansas Insurance Department an administrative penalty in the sum of five hundred dollars (\$500) for violating K.S.A. 40-2,125.

IT IS SO ORDERED THIS 21st DAY OF Sept 2001 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Kathleen Sebelius

Kathleen Sebelius
Commissioner of Insurance

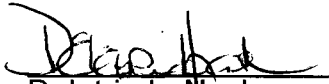
BY:

Kathy Greenlee

Kathy Greenlee
General Counsel


Susan Gorant
Deerbrook Insurance Company

SUBMITTED AND APPROVED BY:


Deletria L. Nash
Attorney for Petitioner
Kansas Insurance Department