

In the Matter of The Travelers)
Indemnity Company of America) Docket No. 3005-SO

4. Seven hundred sixty-one (761) policyholders of Travelers Indemnity and its sister company, Phoenix Insurance Company, were negatively affected by the

change in discount. \$28,766 was credited by the companies to the negatively affected accounts.

Conclusions of Law

5. K.S.A. 40-955(f) provides, in relevant part:

No insurer shall make or issue a contract or policy except in accordance with filings which have been filed or approved for such insurer as provided in this act.

6. K.S.A. 40-963 provides, in relevant part:

...if the commissioner finds any person or organization has violated any provision of this act, may impose a penalty of not more than \$500 for each violation, but, if the commissioner finds such violation to be willful, may impose a penalty of not more than \$2,000 for each such violation...

7. Based on the information contained in paragraphs three (3) and four (4) above, it appears that Travelers Indemnity Company of America changed its Supplementary Rating Plan without approval from the Commissioner in violation of K.S.A. 40-955(f).

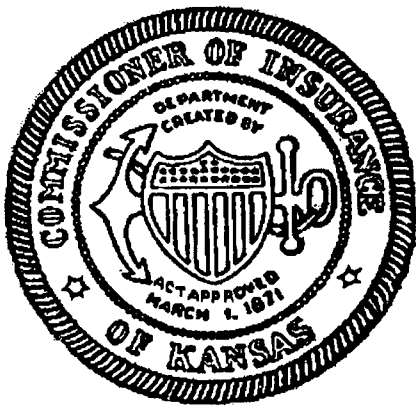
8. For the purposes of this Consent Order, Travelers Indemnity Company of America waives its right to a formal adjudicative proceeding and notice thereof and voluntarily consents to the following order of the Commissioner of Insurance.

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

1. Travelers Indemnity Company of America shall immediately cease and desist from all acts alleged to be violation herein. Specifically, they shall cease and desist from making or issuing contracts or policies except in accordance with filings which have been filed or approved for such insurers.

2. Travelers Indemnity Company of America shall remit to the Kansas Insurance Department an administrative penalty in the sum of three thousand dollars (\$3,000) for violating K.S.A. 40-955.

IT IS SO ORDERED THIS 6th 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

Reginald C. Momah

Reginald C. Momah
Travelers Indemnity Company of America

SUBMITTED AND APPROVED BY:

Deletria L. Nash

Deletria L. Nash
Attorney for Petitioner
Kansas Insurance Department