

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

In the Matter of UNITED SERVICES)
AUTOMOBILE ASSOCIATION) Docket No. 3021-CO

CONSENT ORDER

United Services Automobile Association 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. United Services Automobile Association ("the company") is a reciprocal authorized to transact the business of insurance in the State of Kansas with its office located at 9800 Fredericksburg Road, San Antonio, Texas, 78288, and is subject to the Kansas statutes regulating the business of insurance.

2. The Commissioner of Insurance ("the Commissioner") has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.

3. On January 10, 2000, the Kansas Insurance Department ("KID") received a complaint regarding a considerable rate increase in the automobile policy of United Services Automobile Association. On February 24, 2000, the company informed KID that there was an implementation of the rate prior to approval by KID.

4. A total of 10,592 policies were misrated policies for the company resulting in an overcharge of approximately \$209,233.

5. After being notified of the problem, the company refunded or credited affected accounts and rated the policies using the rates that were in effect.

Conclusions of Law

6. 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.

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

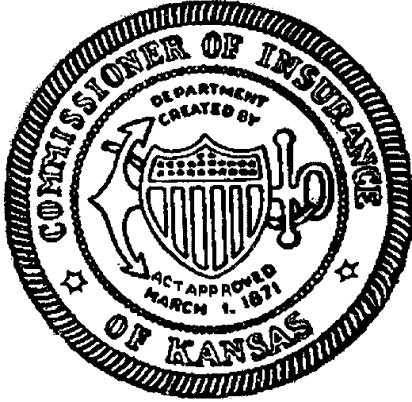
...if the commissioner finds any person or organization has violated any provision of this act, may impose a penalty of not more than \$500 for each violation, but, if the commissioner finds such violation to be willful, may impose a penalty of not more than \$2,000 for each such violation...

8. Based upon the information contained in paragraphs 3 through 5 above, it appears that United Services Automobile Association issued and delivered five contracts containing rates not approved by the Commissioner prior to use in violation of K.S.A. 40-955(f).

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

United Services Automobile Association shall forward a draft in the amount of FIVE THOUSAND DOLLARS (\$5,000.00) for issuing and delivering contracts containing rates not approved by the Commissioner prior to use. The Commissioner retains jurisdiction for additional administrative penalties concerning this failure to comply with 40-955.

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



/s/ Kathleen Sebelius
Kathleen Sebelius
Commissioner of Insurance
BY:

/s/ Kathy Greenlee
Kathy Greenlee
General Counsel

/s/ Patrick F. O'Keefe
Patrick F. O'Keefe
United Services Automobile Association

SUBMITTED AND APPROVED BY:

/s/ Deletria L. Nash
Deletria L. Nash
Attorney for Petitioner
Kansas Insurance Department