

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

In the Matter of the Registration of	)	
GREEN HILLS INSURANCE COMPANY,	)	Docket No. 3427-CO
A Risk Retention Group	)	
_____	)	

**CONSENT ORDER**

The Kansas Insurance Department (“KID”) and Respondent Green Hills Insurance Company (“Respondent”) wish to resolve an incident of unauthorized sale of insurance coverage by entering into this consent order. Pursuant to authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 40-4101 *et seq.* and K.S.A. 77-501 *et seq.*, the Commissioner hereby accepts Respondent’s admission to an inadvertent violation and tender of monetary penalty and approves Respondent’s registration as a risk retention group approved to do business in Kansas.

The Commissioner and Respondent stipulate and agree to the following facts:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate that Respondent is a risk retention group located in and chartered and licensed as a liability insurance company in the State of Vermont and that Respondent has applied for registration to transact the business of insurance in the State of Kansas.
  
2. KID records further indicate that Respondent has designated Richard Duane Poling, Secretary, as its agent to receive all legal notices and service of process at 1655 Lafayette St., Suite 200, Denver, CO 81218.

3. On or about October 20, 2004, KID received notice from the Kansas Health Care Stabilization Fund (“Fund”) that a Kansas health care provider had submitted notice of basic coverage naming Respondent as his insurer effective February 15, 2003.

4. At that time, and at the time of the notice, Respondent was not authorized to do business in Kansas.

5. Respondent has submitted its application for registration, dated March 1 and 2, 2004, to do business in Kansas, and KID staff has indicated that it is acceptable.

6. Respondent’s application indicates that the risk retention group is newly organized and exists primarily to serve providers of employer-sponsored health care services in a corporate setting under a contract with CHD Meridian Healthcare.

7. Respondent admits assuming the professional liability exposure of a Kansas resident prior to approval by KID, agrees to pay a monetary penalty of \$100, acknowledges notice of a right to hearing on the matter, and waives its right to hearing.

#### **APPLICABLE LAW**

8. “If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following: (1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation . . . , in which case the penalty shall be not more than \$2,000 for each and every act or violation; . . .” K.S.A. 40-2,125(a).

9. Before offering insurance in Kansas, risk retention groups chartered in foreign states must submit designated organizational and financial information to the Commissioner and designate the Commissioner as agent for service of process. K.S.A. 40-4103.

**CONCLUSIONS OF LAW**

10. The Commissioner concludes that Respondent provided coverage for the professional liability exposure of a Kansas resident prior to approval by KID in violation of K.S.A. 40-4103.

11. The Commissioner concludes that Respondent is therefore subject to penalties pursuant to K.S.A. 40-2,125(a).

12. The Commissioner find that Respondent’s tender of \$100 should be accepted to resolve the matter of a single inadvertent violation.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE** that GREEN HILLS INSURANCE COMPANY SHOULD BE AND IS HEREBY ASSESSED A MONETARY PENALTY OF \$100.00. **IT IS FURTHER ACKNOWLEDGED** that the registration of Green Hills Insurance Company to do business in Kansas conforms with statutory requirements and is accepted.

**IT IS SO ORDERED THIS \_3rd\_ DAY OF MARCH, 2005, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_  
/s/ Sandy Praeger  
Sandy Praeger  
Commissioner of Insurance

BY:

\_\_\_\_\_  
/s/ John W. Campbell  
John W. Campbell  
General Counsel

**NOTICE:** In the event the Petitioner files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the KID is John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9<sup>th</sup> St., Topeka, KS 66612-1678.

I, Richard Poling, hereby represent that I have authority to agree to the above and foregoing Consent Order on behalf of Green Hills Insurance Company, a Risk Retention Group, and do hereby waive hearing and consent to the order.

Rich Poling 3-3-05  
[GHIC representative] Date

SUBMITTED AND APPROVED BY:

/s/ Brenda J. Clary 1/25/05  
Brenda J. Clary  
*Attorney for Petitioner Kansas Insurance Department*

**NOTICE:** The person designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the KID is John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9<sup>th</sup> St., Topeka, KS 66612.

**Certificate of Service**

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing **Consent Order** on this 14<sup>th</sup> day of March, 2005, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Richard Duane Poling  
1655 Lafayette St., Suite 200  
Denver, CO 81218

/s/ Brenda J. Clary  
Brenda J. Clary