



3. The Fund was originally established to administer a program of workers compensation and employer's liability coverage as a service to members of the Wichita Chamber of Commerce but began to accept members of the Kansas Chamber of Commerce and Industry in 1998.

4. As of December 31, 2004, the Fund had 97 members.

5. The Commissioner has jurisdiction over the subject matter of this proceeding and over the operation of the Fund

6. On or about January 1, 2005 the Fund implemented new premium rates and subsequently billed the Fund's members and received premiums based on those new rates.

7. On or about February 4, 2005, the Fund, through its administrator, Janet Stubbs, advised representatives of the Kansas Insurance Department that the Fund had implemented new premium rates effective January 1, 2005, had issued billings and received premiums based on those new rates, and was requesting approval of such rates retroactive to January 1, 2005.

8. The Fund subsequently provided an actuarial report in support of its request for the new premium rates implemented on January 1, 2005.

9. Under K.S.A. § 44-585 the Fund must use "prospective loss costs, as authorized in K.S.A. 40-955 . . ." when establishing its premium rates.

10. Under K.S.A. § 40-955(b), loss cost filings for workers compensation must be approved by the Commissioner before they are used in this state.

11. Under K.S.A. § 40-963, the Commissioner may impose a penalty of no more than \$2,000 for a willful violation of statutory provisions relating to fire insurance companies, including K.S.A. § 40-955.

**Conclusions of Law**

12. Based upon the information enumerated in paragraphs #6 through #10, the Kansas Employers Workers Compensation Fund failed to file and obtain the approval of its 2005 premium rates prior to their use, in violation of K.S.A. § 40-955(b).

13. The Fund waives its right to a formal adjudicative proceeding in this matter and notice thereof; admits to the foregoing findings of fact and conclusions of law; and voluntarily consents to the following order of the Commissioner of Insurance.

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

1. The 2005 premium rates filed by The Kansas Employer's Workers Compensation Fund on February 4, 2005 are hereby approved retroactive to January 1, 2005.

2. The Fund shall pay a penalty in the amount of One Thousand Dollars (\$1,000.00) to the Kansas Insurance Department by no later than August 22, 2005 or be subject to further regulatory action.

3. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action as necessary to dispose of this matter.

**Notice of Rights**

This Consent Order constitutes final agency action. In the event that the Kansas Employers Workers Compensation Fund files a petition for judicial review, pursuant to K.S.A. § 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

**IT IS SO ORDERED THIS 22nd DAY OF AUGUST, 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

**Certificate of Service**

The undersigned hereby certifies that a true and correct copy of the above and foregoing Consent Order was transmitted by U.S. Mail, postage prepaid, on this 22nd day of August 2005, to:

Lanny Cowell, Administrator  
KEWCF  
7300 College Boulevard, Suite 450  
Overland Park, Kansas 66210

\_ /s/ Linda J. Sheppard \_\_\_\_\_  
Linda J. Sheppard  
Assistant General Counsel