

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

In the Matter of)	
Safeco Insurance Company)	Docket No. 3913-CO
Of America)	

CONSENT ORDER

The Kansas Insurance Department and Safeco Insurance Company of America wish to resolve the above-captioned matter before the Kansas Insurance Commissioner (“Commissioner”) without formal adjudication by entering into this Consent Order.

Having been advised of its right to a hearing prior to the entry of a Final Order, Safeco stipulates that the evidence of matters listed below under the heading Findings of Fact would be admissible if offered at a hearing, and it is upon this evidence that the Commissioner bases the Findings of Fact, Conclusions of Law, and enters the Order. Safeco Insurance Company of America agrees to this Consent Order and voluntarily waives hearing and review.

Findings of Fact

The parties stipulate that if a hearing were conducted in this matter, the following evidence could be adduced by the Commissioner, and although neither admitted nor denied would be recognized as admissible to show the following:

1. Safeco Insurance Company of America (“Safeco”) located at Safeco Plaza, Suite 1200, Seattle, WA 98185, has been authorized to transact and has continuously engaged in transacting business in the State of Kansas since January 27, 1954.
2. On February 6, 2008, Kansas Insurance Department (“KID”) Market Conduct Examiner, Tate Flott (“Mr. Flott”) sent Safeco a letter requesting the company

complete a questionnaire regarding Assigned Risk Plans pursuant to K.A.R. 40-3-30.

3. According to Mr. Flott's letter, the completed questionnaire was to be returned to KID by March 10, 2008.
4. On March 26, 2008, as no response had been received, a follow-up letter regarding the questionnaire was sent to Safeco.
5. Safeco provided a completed questionnaire on July 24, 2008.

Applicable Law

K.S.A. 40-2,125 states, in pertinent 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 a hearing, may impose a civil penalty of up to \$1,000 for each violation or act, along with an additional penalty of up to \$500 for each week thereafter that such report or information is not provided to the commissioner.

K.A.R. 40-3-30 states, in pertinent part:

Each insurance company authorized to transact fire and casualty business in this state shall inform its certified agents of the Kansas assigned risk plans, their availability, eligibility and other related procedures. Insurance companies shall also require each agent to maintain an adequate supply of forms necessary to place risks in the various Kansas-assigned risk plans. This regulation shall apply only with respect to agents certified to write insurance for which a Kansas assigned risk plan is available.

Conclusions of Law

6. Based on the information contained in Paragraphs #1 through #5 above, it appears Safeco violated K.S.A. 40-2,125(b) by failing to respond to a proper inquiry of the Commissioner. Accordingly, Safeco shall remit an administrative penalty in the amount of THREE THOUSAND DOLLARS AND NO CENTS (\$3,000.00) to the Kansas Insurance Department.

7. The Commissioner shall retain jurisdiction over this matter to issue any Order(s) deemed necessary.

IT IS SO ORDERED THIS __10th__ DAY OF SEPTEMBER, 2008 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

SUBMITTED AND APPROVED BY:

/s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
Assistant General Counsel
Kansas Insurance Department

/s/ Patty McCollum
Patty McCollum
Assistant Vice President
Compliance Director
Safeco Insurance Company of America

NOTICE OF RIGHTS
(Pursuant to K.S.A. 77-542)

Safeco Insurance Company of America (“Safeco”) is entitled to a hearing pursuant to K.S.A. 77-537 and K.S.A. 77-542, the Kansas Administrative Procedure Act. If Safeco desires a hearing, the company must file a written request for a hearing with:

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

This request must be filed within fifteen (15) days from the date of service of this Order. If Safeco requests a hearing, the Kansas Insurance Department will notify the company of the time and place of the hearing and information on procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of the same.

If a hearing is not requested in the time and manner stated above, this Consent Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, 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. 9th Street
Topeka, Kansas 66612

Certificate of Service

The undersigned hereby certifies that he served the above and foregoing Consent Order and Notice of Rights on this 10th day of Sept., 2008, by causing the same to be deposited in the United States Mail, first-class postage prepaid, addressed to the following:

Patty McCollum
Assistant Vice President
Compliance Director
Safeco Insurance Company of America
Safeco Plaza
Seattle, WA 98185

/s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
Staff Attorney