

FINAL ORDER

Effective: 12-8-09

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

In the Matter of)
PROGRESSIVE DIRECT INSURANCE COMPANY) Docket No. 4051-SO
A Foreign Corporation Doing Business in Kansas)
NAIC Number 16322)

STIPULATED ORDER

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. §40-4909 *et seq.*, and in accordance with K.S.A. §77-537, the Commissioner hereby, at the stipulation of the parties determines the following actions against the Foreign Insurance Corporation, Progressive Direct Insurance Company (“Respondent”), for violation of the applicable provisions of the Kansas Insurance statutes. This Stipulated Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for a hearing is made, pursuant to K.S.A. §77-542.

Findings of Fact

The Commissioner has been shown the following facts:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate Progressive Direct Insurance Company is a foreign corporation which is licensed to transact insurance business in the State of Kansas, and has been so licensed since November 25, 1997.
2. KID records further indicate a legal address and mailing address for Respondent of 6300 Wilson Mills Road, Mayfield Village, OH 44143.
3. On or about March 24, 2009 the Respondent submitted a Personal Auto increase in rate/rule filing for approval by KID. The requested implementation date was April 24, 2009.
4. KID did not grant Respondent’s requested rate/rule filing until September 1, 2009.
5. Respondent did implement the increased rate/rule beginning April 24, 2009 without prior approval by KID.

Applicable Law

K.S.A. 40-955(c) and (d) requires approval by the Insurance Commissioner prior to increasing and charging the increased rate/rule.

K.S.A. 40-2407 allows the commissioner to impose an administrative penalty for any violation of K.S.A. 40-2404.

Conclusions of Law

Based on the Findings of Fact enumerated above in Paragraphs #1 through #5 and the Applicable Law above:

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE:

6. Progressive Direct Insurance Company shall pay a penalty of Five Thousand Dollars (\$ 5,000.00) for the violation of the statutes and regulations of KID.

7. Progressive Direct Insurance Company will maintain a list of the individuals who paid the increased rate/rule and those individuals shall receive a refund for the increased premiums paid under the nonapproved rate/rule. Respondent shall transmit to KID the policy numbers and the amount of the refund paid to the insured. Respondent shall provide this list to KID when the process is complete.

NOTICE OF RIGHTS

Progressive Direct Insurance Company is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If Respondent 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

Respondent requests a hearing, the Kansas Insurance Department will notify the Respondent of the

time and place of the hearing and information on the 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 Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-613. In the event Respondent 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. 9th Street
Topeka, Kansas 66612

IT IS SO ORDERED THIS __18th__ DAY OF NOVEMBER, 2009, 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 above and foregoing Summary Order was served via the United States Postal Service, first-class postage prepaid, on this 18th day of Nov., 2009, addressed to the following:

Ms. Kristy M. Mullen
Senior Counsel
The Progressive Group of Insurance Companies
Corporate Law Department
6300 Wilson Mills Road
Mayfield Village, OH 44143

And

The Progressive Group of Insurance Companies
6300 Wilson Mills Road
Mayfield Village, OH 44143

_____/s/ John R. Dowell_____
John R. Dowell
Staff Attorney

Stipulation

The undersigned agree to the above recitations and facts as well as the resultant penalty on the license of Corporate 4 Insurance Agency, Inc.

_____/s/ Michael R. Uth_____
Robert Lietschuh
President
Corporate 4 Insurance Agency, Inc.
7720 Metro Boulevard
Edina, Minnesota 55439