

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

In the Matter of)	
)	
HARTFORD FIRE INSURANCE COMPANY)	Docket No. 4810-SO
)	
NAIC #19682)	

SUMMARY ORDER

(Pursuant to K.S.A. K.A.R. 51-9-5, K.S.A. 44-5,120 (d)(10), (18), and (19),
K.S.A. 44-5,120 (g)(1), and K.S.A. 77-537)

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.A.R. 51-9-5, K.S.A. 44-5,120 (d)(10), (18), and (19), K.S.A. 44-5,120 (g)(1), and K.S.A. 77-537 and in accordance with K.S.A. 77-537, the Commissioner hereby orders that Hartford Fire Insurance Company (“Hartford” or “the company”) cease and desist from violating K.S.A. 40-451 and admonishes and assesses a penalty against the company. This Summary 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. Hartford Fire Insurance Company (“Hartford”) is located at One Hartford Plaza, Hartford, CT. 06155.
2. Hartford has been authorized to transact and has continuously transacted insurance business in the State of Kansas since January 1, 1872.
3. On June 4, 2015, the Kansas Insurance Department (“KID”) received a written complaint regarding Hartford.

4. The complaint arose out of Hartford unilaterally discontinuing temporary total disability (“TTD”) payments to a beneficiary.

5. On June 2, 2015, an Administrative Law Judge ordered Hartford to pay \$226.68 per week for TTD beginning March 2, 2015, and continuing until the claimant was released or provided employment within her restriction.

6. Hartford halted TTD payments on May 17, 2015.

7. The claimant had not been released or provided employment within her restriction when Hartford discontinued paying benefits.

8. Hartford reinstated TTD payments on or about June 25, 2015 when the claimant rescheduled the doctor’s appointment.

9. In a letter dated February 9, 2016, counsel for KID invited Hartford to reply in writing if the company disputed the statement of facts set forth above.

10. Hartford responded by email on March 1, 2016 asserting that temporary total disability benefits were justifiably suspended because the claimant was non-compliant with medical treatment inasmuch as she had failed to attend numerous appointments with her physician.

11. Further, Hartford noted that the claim was settled and that the complaint to KID was withdrawn.

12. Hartford did not address the allegation that no hearing was held prior to termination of temporary total disability benefits.

Applicable Law

1. K.A.R. 51-9-5 provides:

An unreasonable refusal of the employee to submit to medical or surgical treatment, when the danger of life would be small and the probabilities of

a permanent cure great, may result in denial or termination of compensation beyond the period of time that the injured worker would have been disabled had the worker submitted to medical or surgical treatment, but **only after a hearing as to the reasonableness of such refusal.** (emphasis added)

2. K.S.A. 44-5,120 (d)(10), (18), and (19) provide that fraudulent or abusive acts or practices include:

(10) refusing or failing to make prompt delivery to the employee or legal beneficiary of funds belonging to the employee or legal beneficiary as a result of a settlement, agreement, order or award;

(18) refusing to pay compensation as and when the compensation is due;

(19) refusing to pay any order awarding compensation;

3. K.S.A. 44-5,120 (g)(1) sets forth the orders that may be entered upon a finding after hearing that an company that provides workmen's comprehensive insurance has engaged in fraudulent or abusive acts or practices, as follows:

(g) If, after such hearing, the director or the commissioner of insurance, in the case of any person licensed or regulated by the commissioner, determines that the person or persons charged have engaged in a fraudulent or abusive act or practice, the director or the commissioner of insurance . . . shall issue an order or summary order requiring such person to cease and desist from engaging in such act or practice and, in the exercise of discretion, may order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$2,000 for each and every act constituting the fraudulent or abusive act or practice, but not exceeding an aggregate penalty of \$20,000 in a one-year period

Applicable Public Policy

The purpose of this action is to effectuate the policy set forth in K.A. R. 51-9-5 and K.S.A. 44-5,120 (d) (10), (18), and (19).

Conclusions of Law

Based upon the Findings of Fact enumerated in Paragraphs #1 through #10, the Applicable Law, and the Applicable Public Policy cited above, the Commissioner of Insurance finds as follows:

1. The Commissioner of Insurance has jurisdiction over Hartford and the subject matter of this proceeding and such proceeding is held in the public interest.

2. Hartford has violated K.A. R. 51-9-5 and K.S.A. 44-5,120 (d) (10), (18), and (19) by terminating TTD benefits without a hearing as the reasonableness of such refusal.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE:

1. Pursuant to K.S.A. 44-5,120 (g), Hartford shall cease and desist from terminating TTD benefits without an hearing authorizing termination.

2. Hartford shall pay a fine of \$2,000.00 for violation of K.A.R. 51-9-5.

3. The Commissioner shall retain jurisdiction over this matter to issue any orders deemed necessary.

IT IS SO ORDERED THIS 7th DAY OF MARCH, 2016 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer
Commissioner of Insurance

BY:

John Wine
Assistant Commissioner

NOTICE OF RIGHTS

Hartford is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If Hartford desires a hearing, Hartford must file a written request for a hearing with:

Diane Minear, 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 Summary Order. If Hartford requests a hearing, the Kansas Insurance Department will notify Hartford 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 the commencement of the same.

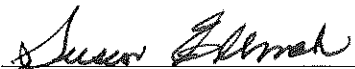
If a hearing is not requested in the time and manner stated above, this Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-613. In the event Hartford files a petition for judicial review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the above and foregoing Summary Order and Notice of Rights on this 7th day of March, 2016, by causing the same to be deposited in the United States Mail, registered mail with return-receipt requested postage prepaid, addressed to the following:

Marie L. Valencia
Corporate Compliance
Hartford Fire Insurance Company
One Hartford Plaza
Hartford, CT 06155



Susan Ellmaker
Staff Attorney