

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

In the Matter of)	
NATIONAL CASUALTY)	Docket No.: 4888--CO
COMPANY)	
NAIC # 11991)	

CONSENT AGREEMENT AND FINAL ORDER
(Pursuant to K.S.A. 40-222 and K.S.A. 77-537)

Pursuant to the authority conferred upon the Commissioner of Insurance in K.S.A. 40-222, Ken Selzer, CPA, the duly elected, qualified and serving Commissioner of Insurance hereby adopts the Kansas Insurance Department's agreement made with National Casualty Company (hereinafter "National Casualty") and finds and Orders as follows:

Stipulated 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 by Respondent, it would be recognized as admissible to show the following:

1. National Casualty is domiciled in Wisconsin and has been authorized to issue insurance in Kansas since 1906.
2. The Kansas Insurance Department ("KID") completed a review of the business of National Casualty and its arrangement with MedSense Guaranteed Association ("MSGA").
3. National Casualty sold a dental insurance policy ("Policy") to MSGA, a Delaware corporation.
4. The Policy was issued in Delaware and intended to cover MSGA members in a number of states.

5. National Casualty provided coverage under the Policy to new MSGA members who purchased a membership package that included such coverage. As of March 22, 2016 there were 71 active Kansas certificate holders under the MSGA group Policy.
6. MSGA's membership program, including insurance enrollment, was administered by Health Insurance Innovations, Inc. ("HII").
7. In March of 2016, KID contacted National Casualty about MSGA, indicating that it was not an eligible group under Kansas law as it did not appear to be organized and maintained for purposes other than the sale of insurance.
8. National Casualty indicated that on March 23, 2016 all sales of the dental products by HII to MSGA members ceased.

Applicable Law

9. K.S.A. 40-2209(f)(5) provides:

(f) Group accident and health insurance may be offered to a group under the following basis:

(5) A policy issued to an association which has been organized and is maintained for the purposes other than that of obtaining insurance, insuring at least 25 members, employees, or employees of members of the association for the benefit of persons other than the association or its officers. The term "employees" shall include retired employees. The premiums for the policies shall be paid by the policyholder, either wholly from association funds, or funds contributed by the members of such association or by employees of such members or any combination thereof.

Conclusions of Law

Based on the Findings of Fact enumerated in Paragraphs #1 through #10 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**

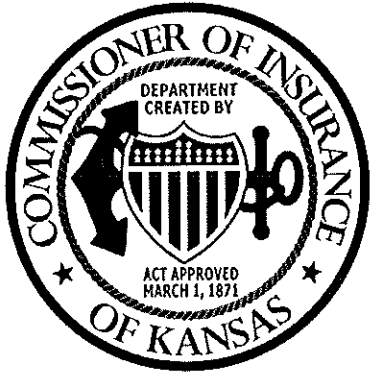
11. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.
12. MSGA was not eligible as an association group policyholder under K.S.A. 40-2209(f)(5).
13. National Casualty neither admits nor denies the violations noted above.

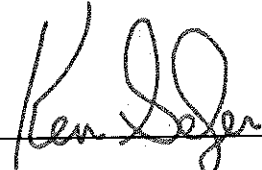
Orders

Based on the Findings of Fact, Applicable and conclusions cited above, **IT IS ORDERED BY THE COMMISSIONER OF INSURANCE:**

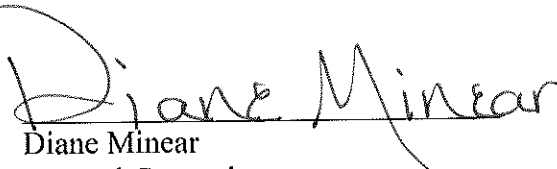
1. National Casualty shall pay a monetary penalty of \$ 1,000 for the above state violations of K.S.A. 40-2209(f)(5) by issuing a group policy to an invalid group.
2. The Commissioner shall retain jurisdiction over this matter to issue any orders deemed necessary.

IT IS SO ORDERED THIS 29th DAY OF September, 2016, IN THE CITY OF TOPEKA, STATE OF KANSAS.



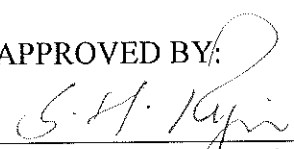


Ken Selzer



Diane Minear
General Counsel

APPROVED BY:

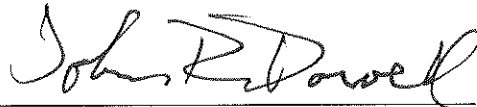


Syed Rizvi, VP, Chief Specialty Ins. Offr.,
National Casualty Company
1 W Nationwide Boulevard
Columbus, OH 43215

Certificate of Service

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing Consent Order on this 29th day of September, 2016, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

National Casualty Company
1 W Nationwide Boulevard
Columbus, OH 43215



John R. Dowell
Staff Attorney