



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

January 4, 2023

Root Enterprise, LLC.
80 E. Rich Street Suite 500
Columbus, OH 43215

Re: **Rating Organization License**

ACTION REQUIRED

The Kansas Insurance Department (“Department”) previously mailed the Application for Renewal of the Licensing as a Rating Organization. The Department still has not received the required application and fee from your entity. **Your license has been revoked/suspended.**

Kansas law provides, in part:

40-956. Same; rating organizations; licensure, fee, suspension or revocation; subscriber discrimination and certain rules prohibited; examinations, costs; authorized cooperation and transactions. (a) Any corporation, association, partnership or individual whether located in or out of the state, may apply for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file therewith: (1) A copy of its constitution, articles of agreement or association or certificate of incorporation, and its bylaws and rules governing the conduct of its business; (2) a list of its members and subscribers; (3) the name and address of a resident of the state upon whom service of process or orders of the commissioner may be served and an irrevocable agreement to accept such service or notices; and (4) a statement of its qualification as a rating organization. Every rating organization shall notify the commissioner promptly of every change in its organizational structure, members or subscribers and the person upon whom service or notices may be made. If the commissioner finds the applicant is qualified, the commissioner shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within 60 days of the date of its filing. **Licenses issued pursuant to this section shall continue in force until May 1 next after their date unless suspended or revoked by the commissioner. The fee for such license shall be \$25 annually. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this section.**

...

K.S.A. 40-2,125 provides, in part:

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

- (1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation;
- (2) suspension or revocation of the person's license or certificate if such person knew or reasonably should have known that such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder; or
- (3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.

ORDER

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

Based on the foregoing, the Commissioner finds that you knowingly offered or provided rating organization services without a valid license in accordance with K.S.A 40-956, and amendments thereto; and that you willfully violated K.S.A. 40-956(a).

Based on the foregoing, the Commissioner finds that imposition of penalties is appropriate. Therefore, pursuant to K.S.A. 40-956, the Commissioner orders you to remit a renewal application and fee along with a \$500 fine within thirty (30) days after service of this order.

The Commissioner also orders you to cease and desist from providing rating organization services until such time as you obtain a current, in force license.

If you do not want to pursue renewal of your license, you shall notify the Department within thirty (30) days after service of this order.

STIPULATION

Alternatively, you may agree to the findings, facts, and conclusions stated above and waive your rights to a hearing and judicial review of the order imposing a fine. If you agree, initial the line below, print your name, sign, and date, and return the form and fine to the Kansas Insurance Department. You still must obtain a valid license prior to resuming rating organization services.

_____ I stipulate and agree to the above findings, facts, and conclusions of law and acknowledge and waive my rights to administrative hearing and judicial review of the Commissioner's Order. This means the above order shall become effective as a final order without further notice.

Printed Name

Signature

Date

Title

NOTICES

Within fifteen (15) days of service of this Order, you may file with the Kansas Insurance Department a written request for hearing on this Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

Mindy Forrer
Kansas Insurance Department
1300 SW Arrowhead Road
Topeka, Kansas 66604

Pursuant to K.S.A. 77-601 *et seq.*, you are entitled to judicial review of this order upon it becoming a final order. The petition for judicial review must be filed in the district court within thirty (30) days of service of this order. In the event you file 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:


Justin L. McFarland, General Counsel
Kansas Insurance Department
1300 SW Arrowhead Rd
Topeka, KS 66604

**IT IS SO ORDERED THIS 4th DAY OF JANUARY, 2023, IN THE CITY OF TOPEKA,
COUNTY OF SHAWNEE, STATE OF KANSAS.**



Vicki Schmidt
Commissioner of Insurance

BY:


Justin L. McFarland, General Counsel

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing Order on this 4th day of January, 2023 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Root Enterprise, LLC.
80 E. Rich Street Suite 500
Columbus, OH 43215

and via email to:

juemin.zhang@joinroot.com; grace.ahlgrim@joinroot.com



Toni Garrard
Senior Administrative Specialist