

**STATE OF KANSAS
DEPARTMENT OF INSURANCE**

In the Matter of LIBERTY MUTUAL)
INSURANCE COMPANY)

Docket No. 2728-SO

SUMMARY ORDER

The Commissioner of Insurance, on this 8th day of February, 1999, issues this penalty by way of SUMMARY ORDER, pursuant to the authority granted the Commissioner of Insurance by Kansas Statutes Annotated (K.S.A.) 1997 Supp. 40-963 and K.S.A. 1997 Supp. 77-537. The Commissioner has been shown the following:

Findings of Fact

1. Liberty Mutual Insurance Company (Liberty Mutual) used Form BS 719 R11 without requisite approval by the Kansas Insurance Department.
2. Liberty Mutual attached this unapproved form to at least forty-eight (48) policies held by Kansas consumers. A list of these 48 policyholders was provided by Liberty Mutual.
3. The Department finds that Liberty Mutual violated Kansas statutes by issuing this unapproved form.

Conclusions of Law

1. The filing violates Kansas Statutes Annotated (K.S.A.) 40-216, which states in pertinent part:

No contract of insurance or indemnity shall be issued or delivered in this state until the form of the same has been filed with the commissioner of insurance. . .

2. The penalty for the violation described herein is set forth in Kansas Statutes Annotated (K.S.A.) 1997 Supp. 40-963, which states in pertinent part:

The commissioner, if the commissioner finds any person or organization has violated any provision of this act, may impose a penalty of not more than \$500 for each violation, but, if the commissioner finds such violation to be willful, may impose a penalty of not more than \$2,000 for each such violation. Such penalties may be in addition to any other penalty provided by law. The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the

commissioner within the time limited by such order, or any extension thereof which the commissioner may grant.

Order

The Commissioner hereby orders Liberty Mutual to:

(a) pay an administrative penalty to the Kansas Insurance Department in the sum of two hundred and fifty dollars (\$250) for each of the 48 violations for a sum totaling twelve thousand dollars (\$12,000); and

(b) indicate in writing to the Department how Liberty Mutual will avoid reoccurrence of this violation in the future.

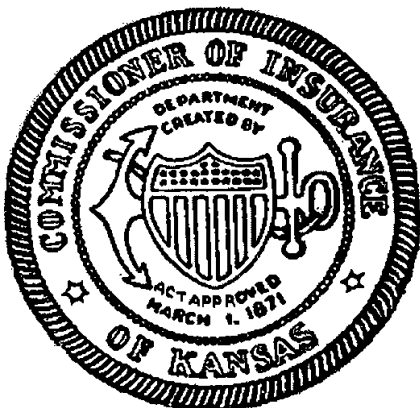
Notice of Rights

Liberty Mutual Insurance Company is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If Liberty Mutual Insurance Company wants a hearing, then it must file a written request for a hearing with:

Kathy Greenlee
General Counsel
Kansas Insurance Department
420 SW Ninth Street
Topeka, Kansas 66612
(785) 296-3071

This request must be mailed within fifteen (15) days from the date of this Order. If Liberty Mutual Insurance Company requests a hearing, the Kansas Insurance Department will notify the company 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 hearing.

If a hearing is not requested in the time and manner stated above, this Summary Order becomes final and effective upon the expiration of the time for requesting a hearing.



/s/

Bill Wempe, CIE
Fire and Casualty Supervisor

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing Summary Order was served by placing the same in the United States Mail, first class postage prepaid, on this 8th day of February 1999, addressed to the following:

Edmund F. Kelly, President
Barry S. Gilvar, Secretary
Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02117

/s/
Bill Wempe, CIE
Fire and Casualty Supervisor