

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

In the Matter of LIBERTY MUTUAL)
INSURANCE COMPANY) Docket No. 2728-SO

ORDER TO RESCIND

Pursuant to the authority granted the Commissioner of Insurance by Kansas Statutes Annotated (K.S.A.) 40-242 and K.S.A. 77-501, et seq.,

I, Kathleen Sebelius, the duly elected, qualified, and acting Commissioner of Insurance of the State of Kansas, hereby make the following findings of fact, conclusions of law, and order, to wit:

Findings of Fact

1. Liberty Mutual Insurance company (hereinafter “Liberty”) is a mutual insurance company authorized to transact the business of insurance in the State of Kansas, with its registered corporate office at 175 Berkeley Street, Boston, Massachusetts, 02117.

2. The Commissioner of Insurance has jurisdiction over the subject matter of this proceeding and over Liberty pursuant to K.S.A. 40-214, and this proceeding is held in the public interest.

3. An investigation by the Kansas Insurance Department revealed that Liberty used Form BS 719 R11 without approval by this Department. Liberty attached this unapproved form to at least forty-eight (48) policies held by Kansas’s consumers.

4. On February 8, 1999, the Commissioner of Insurance issued a Summary Order against Liberty, notifying Liberty that the company had violated Kansas statutes by issuing this unapproved form. This Summary Order became final on February 26, 1999.

5. On September 3, 1999, the Kansas Insurance Department received a letter from Liberty, wherein they stated their belief the matter had been resolved in extensive meetings with members of the Department, regarding whether BS 719 R11 was, in fact, a “form” under the definition of K.S.A. 40-216, and requested the Summary Order be withdrawn.

6. The Kansas Insurance Department and Liberty have reached an agreement whereby Liberty has entered into a Consent Order with the Department, dated November 17, 1999, acknowledging violation of K.S.A. 40-216.

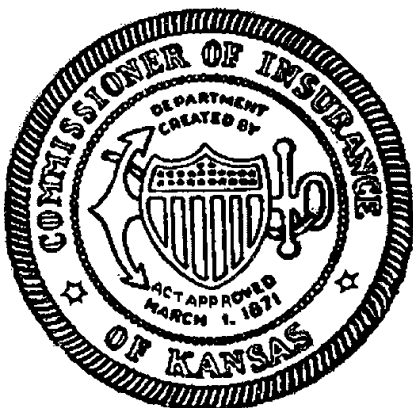
Conclusions of Law

7. Based upon the Findings of Fact contained in paragraphs #1 through #6 above, it appears justification exists for rescinding the Summary Order referred to herein.

IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

The Summary Order effective February 26, 1999, and referred to herein, is hereby rescinded.

IT IS SO ORDERED THIS 19th DAY OF NOVEMBER, 1999, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Kathleen Sebelius_____

Kathleen Sebelius

Commissioner of Insurance

BY:

/s/ Kathy Greenlee_____

Kathy Greenlee

General Counsel

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing Order to Rescind was served by placing the same in the United States Mail, first class postage prepaid, on this 19th day of November, 1999, addressed to the following:

Mr. Sean B. McSweeney
Assistant Vice-President & Counsel
Liberty Mutual Insurance Company
175 Berkeley Street
Boston, Massachusetts 02117

/s/ Margaret A. Gatewood _____
Margaret A. Gatewood
Senior Counsel