



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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Commissioner fines company, calls for premium refunds

TOPEKA, Kan. — Kansas Insurance Commissioner Sandy Praeger has levied a \$5,000 fine against a Kansas-licensed insurance company and has ordered premium refunds for those consumers affected by the company's statute violations.

In an order issued Dec. 8, Commissioner Praeger ordered Progressive Direct Insurance Company, based in Mayfield Village, Ohio, to pay the monetary penalty for violating statutes and regulations of the Kansas Insurance Department (KID).

The penalty stems from Progressive Direct's use of increased vehicle insurance premiums put into effect by the company before a new rate filing was approved by KID. The new rates began April 24, 2009, and KID did not grant the request until Sept. 1, 2009.

The rate increases potentially affected more than 23,000 policyholders who had motorcycle and recreational vehicle insurance.

Progressive Direct is an online insurance company.

The Commissioner also ordered the company to refund Kansas policyholders for the increased premiums paid during the time the new rates went unapproved. The department will be given a list of the policyholders and the refunds to be paid to each one.

"Regulation of companies is one of our department's three primary missions," Commissioner Praeger said. "Companies doing business in Kansas have to know that we won't allow them to pursue activities against consumers that don't meet statutory approval."

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The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at www.ksinsurance.org.