

BEFORE THE DIVISION OF INSURANCE

STATE OF COLORADO

Division File No. 223760

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**STIPULATION FOR ENTRY OF FINAL AGENCY ORDER**

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IN THE MATTER OF IDS Property Casualty Insurance Company, d/b/a Ameriprise Auto & Home Insurance Company, NAIC No. 29068

Respondent.

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The Colorado Division of Insurance (“Division”) and IDS Property Casualty Insurance Company, d/b/a Ameriprise Auto & Home Insurance Company (“Respondent”) hereby enter into this Stipulation for Entry of Final Agency Order (“Stipulation”) to resolve the matters at issue in Division file number 223760, and do hereby stipulate and agree as follows:

1. The Colorado Commissioner of Insurance (“Commissioner”) has jurisdiction over Respondent and the subject matter herein pursuant to the provisions of Title 10 of the Colorado Revised Statutes.
2. Respondent currently holds a certificate of authority to transact the business of insurance in the State of Colorado and has held such certificate at all times relevant to the subject matter of this Stipulation.
3. On January 12, 2010 the Division received a complaint alleging Respondent offered a \$100 discount off a collision deductible if an insured selected a repair facility participating in the Direct Repair Program (DRP).
4. On January 14, 2010 the Division launched an investigation to determine if Respondent was in compliance with § 10- 4-120, C.R.S.
5. The Division’s initial review and subsequent investigation revealed the following:
  - a. Respondent had submitted a form certification filing on April 14, 2006 that included a Collision Deductible Reduction Endorsement.
  - b. Respondent began using this new Collision Deductible Reduction Endorsement form on September 1, 2006.
  - c. The Collision Deductible Reduction Endorsement includes a provision which reads:

“In the event **you** choose to have **your insured car** repaired at a DRP facility, **we** will:

- b. Reduce the applicable deductible by the lesser of \$100 or the **collision** deductible amount that is shown in the declarations; ...”
- d. Respondent has provided information that indicates between September 1, 2006 and January 29, 2010, seven hundred eleven (711) Colorado consumers participated in the direct repair program offered in the Collision Deductible Reduction Endorsement.

6. The Division alleges that the conduct set forth in paragraph five of this Stipulation violates §§ 10-4-120 and 10-3-1104 (1) (u), C.R.S., specifically the deductible reduction is considered an inducement by incentive to utilize a repair facility participating in the DRP. If this matter were to proceed to hearing the Division could pursue various sanctions including, but not limited to, revocation of Respondent’s Certificate of Authority to conduct business in Colorado.

7. In order to avoid the uncertainty of litigation and to resolve the matters at issue, the Division and Respondent agree to the following:

- a. Respondent admits that the Collision Deductible Reduction Endorsement does not comply with Colorado insurance law.
- b. Respondent shall immediately cease the use of the Collision Deductible Reduction Endorsement. Within 30 days from the date of the Final Agency Order an amendatory endorsement shall be delivered, by First-Class mail, to all policyholders identified as having purchased collision coverage.
- c. Within 30 days of the date of the Final Agency Order approving the this Stipulation, Respondent shall either remove the \$100 deductible discount or withdraw the Collision Deductible Reduction Endorsement entirely.
- d. Upon receipt of the Final Agency Order approving this Stipulation, Respondent shall forthwith remove any and all reference to the discount in its advertising including, but not limited to, its website and call holding messages.
- e. Respondent shall pay a monetary penalty of \$71,100 for its violation of §§ 10-4-120 and 10-3-1104, C.R.S. Said penalty shall be assessed a 10% surcharge, or \$7,110.00, pursuant to § 24-34-108, C.R.S. for a total balance due of \$78,210.00. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. The total amount of \$78,210.00 will be due to the Division within 30 days from the date of the Final Agency Order approving this Stipulation.

- f. Respondent agrees that any subsequent failure to comply with Colorado insurance law regarding the Collision Deductible Reduction Endorsement will be deemed a willful violation of law and will subject Respondent to more aggressive sanctions up to and including full monetary penalties and interest, and revocation of Respondent's Certificate of Authority to conduct business in Colorado.

8. By entering into this Stipulation, Respondent knowingly and voluntarily waives its rights pursuant to §§ 10-1-110, 10-3-1107 and 24-4-104, 24-4-105, and 24-4-106 C.R.S. including but not limited to, a hearing in this matter; the right to be represented at such hearing by counsel chosen and retained by Respondent; the right to present a defense; to present oral and documentary evidence; to cross-examine witnesses at such hearing; and the right to seek judicial review of this Stipulation and the Final Agency Order approving this Stipulation.

9. The Division and Respondent agree that this Stipulation is a full and final settlement of the issues raised between Respondent and the Division in Division File Number 223760.

10. Neither this Stipulation or the Final Agency Order approving this Stipulation shall be deemed in any manner to prevent the Division from commencing any other agency action relating to any other conduct of Respondent not settled herein, and without regard to whether such conduct occurred prior to the date of this Stipulation or the Final Agency Order approving this Stipulation.

11. Respondent understands and acknowledges that the Division may take such lawful steps as may be required or appropriate to investigate and determine whether Respondent is in compliance with this Stipulation and the Final Agency Order approving this Stipulation.

12. Nothing contained in this Stipulation shall prevent the Division from taking action at any time to enforce this Stipulation and the Final Agency Order approving this Stipulation, in the event the Division has reason to believe that Respondent is not in compliance with the terms of this Stipulation and the Final Agency Order.

13. In the event the Division takes action relating to alleged violations of this Stipulation or the Final Agency Order approving this Stipulation, this Stipulation and the Final Agency Order shall be admissible in full in any proceeding commenced for any enforcement purpose.

14. This Stipulation is entered into by Respondent freely and voluntarily, after having had the opportunity to consult with counsel of Respondent's choice, and with full understanding and acceptance of the legal consequences of this Stipulation and the Final

Agency Order approving this Stipulation. Respondent affirms that it has read this Stipulation and the Final Agency Order and fully understands its nature, meaning, content and consequences.

15. Respondent agrees that upon execution of this Stipulation, no subsequent action or assertion shall be maintained or pursued in any manner asserting the invalidity of any provision, in whole or in part, of this Stipulation and/or the Final Agency Order.

16. Respondent understands that this Stipulation and the Final Agency Order approving this Stipulation shall be reported to the National Association of Insurance Commissioners.

17. Invalidation of any provision of this Stipulation or the Final Agency Order approving this Stipulation by a court of competent jurisdiction will in no way affect any other provisions, which shall remain in full force and effect.

18. Upon the Commissioner's entry of the Final Agency Order approving this Stipulation, this Stipulation and Final Agency Order shall be a public record in the custody of the Division under the Colorado Public Records Act, as required by §§ 24-72-101, *et seq.*, C.R.S.

19. This Stipulation is subject to approval by the Commissioner or her designee, and shall become binding upon the parties hereto upon such approval.

20. This Stipulation and Final Agency Order embody the entire agreement between the Division and Respondent, and there are no agreements, understandings, representations or warranties which are not expressly set forth herein.

21. There are eight (8) pages to this Stipulation and Final Agency Order, including all signature pages and the Certificate of Service.

**FOR RESPONDENT:**

Scott E. Creutzmann

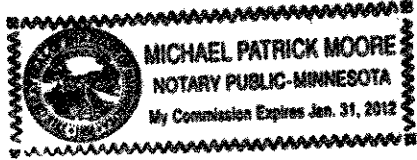
8/17/2010  
Date

Subscribed and sworn to before me in the County of Hennepin, State of Minnesota,

This 17<sup>th</sup> day of August 2010, by Scott E. Creutzmann.

Michael Patrick Moore  
NOTARY PUBLIC

My Commission expires: 1/31/2012



**FOR THE COLORADO DIVISION OF INSURANCE**

Peggy A. Brown  
Peggy A. Brown, Esq.  
Deputy Commissioner of Consumer Affairs

8/19/10  
Date

BEFORE THE DIVISION OF INSURANCE, STATE OF COLORADO

Division File No. 223760

Final Agency Order Number O-11-036

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**FINAL AGENCY ORDER**

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IN THE MATTER OF IDS Property Casualty Insurance Company, d/b/a Ameriprise Auto & Home Insurance Company, NAIC No. 29068

Respondent.

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THIS MATTER comes before Marcy Morrison, Commissioner of Insurance for the State of Colorado (“Commissioner”), upon the Stipulation for Entry of Final Agency Order (“Stipulation”) between the Colorado Division of Insurance (“Division”) and IDS Property Casualty Insurance Company, d/b/a Ameriprise Auto & Home Insurance Company (“Respondent”). After reviewing the Stipulation, the Commissioner makes the following findings and enters the following order:

**FINDINGS**

1. The Commissioner has jurisdiction over Respondent and this matter pursuant to Title 10 of the Colorado Revised Statutes.
2. By entering into the Stipulation, Respondent has waived its right to a hearing pursuant to §§ 10-1-110, 10-3-1107 and 24-4-104, 24-4-105, and 24-4-106, C.R.S.; the right to be represented at such hearing by counsel chosen and retained by Respondent; the right to present a defense; to present oral and documentary evidence; to cross-examine witnesses at such hearing; and the right to seek judicial review of this Final Agency Order.

**ORDER**

Based upon the foregoing and the terms of the Stipulation between the Division and Respondent, it is hereby ORDERED as follows:

1. Respondent admits that the certification of the Collision Deductible Reduction Endorsement form and the \$100 deductible discount for the use of a repair facility participating in the Direct Repair Program are violations of §§ 10-3-1104 (1) (u) and 10-4-120, C.R.S.
2. Respondent shall amend or withdraw the Collision Deductible Reduction Endorsement form, cease any advertising or marketing of this Collision Deductible Reduction Endorsement and pay a monetary penalty of \$71,100. Said penalty shall be assessed a 10% surcharge, or \$7,110.00, pursuant to § 24-34-108, C.R.S. for a total balance

due of \$78,210.00. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. The total amount of \$78,210.00 will be due to the Division within 30 days of the signing of this Final Agency Order.

3. Respondent agrees that any subsequent failure to comply with Colorado insurance law regarding the use of the Collision Deductible Reduction Endorsement will be deemed a willful violation of law and will subject Respondent to more aggressive sanctions up to and including full monetary penalties and interest, and revocation of Respondent's Certificate of Authority to conduct business in Colorado.

4. In the event the Division commences an action against Respondent for an alleged violation of this Final Agency Order, the findings of facts, conclusions of law and stipulations of the parties contained in this Final Agency Order, as well as those contained in the s Stipulation, shall be admissible in any such action.

5. The Stipulation is incorporated by reference, and all of its conditions, terms, and agreements are specifically made a part of this Order as though fully set forth herein.

DONE AND ORDERED this 24<sup>th</sup> day of August, 2010.



MARCY MORRISON  
COLORADO INSURANCE COMMISSIONER

CERTIFICATE OF SERVICE

This is to certify that I have duly served the within STIPULATION FOR ENTRY OF FINAL AGENCY ORDER and FINAL AGENCY ORDER upon all parties herein by depositing copies of same in the United States mail, first-class postage prepaid, at Denver, Colorado, this 24 day of August 2010 addressed as follows:

A handwritten signature in cursive script, appearing to read "Juan Melendez", written in black ink. The signature is fluid and extends across the width of the page.