

5. After being contacted by KID, Bailey came in two times to meet with representatives of KID to discuss the situation. She indicated that she thought she had an excess coverage license due to the fact a former employer had filled out paperwork to obtain the license and she assumed she was authorized to sell excess lines coverage.

6. After becoming aware she was without the proper authorization, Bailey took immediate steps to correct the situation.

Conclusions of Law

7. K.S.A. 40-214 provides, in relevant part:

“It shall be unlawful for any person...to transact the business of insurance, indemnity or suretyship, or do any act toward transacting such business, unless such person...shall have been duly authorized under the laws of this state to transact such business and shall have received proper written authority from the commissioner of insurance in conformity with the provisions of the laws of this state relative to insurance, indemnity and suretyship...”

8. K.S.A. 1999 Supp. 40-246b provides, in relevant part:

“The commissioner of insurance may issue to any duly licensed...resident agent in this or any other state or combination thereof, for three consecutive years immediately prior to application for the type of license herein prescribed, upon proper application, an excess coverage license...”

9. K.S.A. 1999 Supp. 40-2,125 provides, in relevant 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,...”

10. Based upon the information contained in paragraphs 3 through 4, it appears that Cheryl S. Bailey unlawfully transacted the business of insurance or did an act toward transacting such business without being duly authorized under the laws of this state to transact such business

and receiving proper written authority from the commissioner of insurance in conformity with the provisions of the laws of this state relative to insurance, in violation of K.S.A. 40-214.

11. Based upon the information contained in paragraphs 3 through 4 above, it appears that Cheryl S. Bailey did not have an excess coverage license, in violation of K.S.A. 1999 Supp. 40-246b.

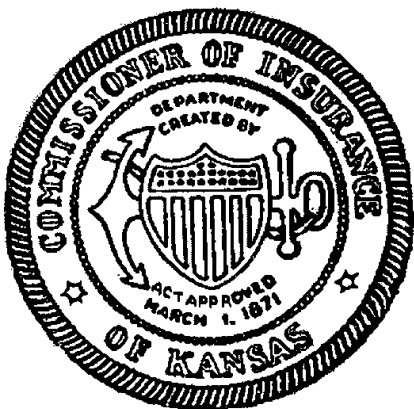
12. Cheryl S. Bailey admits to the allegations set forth herein this order as described above.

13. For the purposes of this Consent Order, Cheryl S. Bailey waives her right to a formal adjudicative proceeding and notice thereof and voluntarily consents to the following order of the Commissioner of Insurance.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. Cheryl S. Bailey shall remit a \$1,000.00 monetary penalty within four (4) months of the date of this Order to KID for transacting the business of insurance or doing an act towards transacting such business when she did not have an excess coverage license in Kansas.

IT IS SO ORDERED THIS 26th DAY OF APRIL 2000 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Kathleen Sebelius
Kathleen Sebelius
Commissioner of Insurance

BY:

/s/ Kathy Greenlee _____
Kathy J. Greenlee
General Counsel

/s/ Cheryl S. Bailey _____
Cheryl S. Bailey

SUBMITTED AND APPROVED BY:

/s/ JaLynn Copp _____
JaLynn Copp
Attorney for Petitioner
Kansas Insurance Department