BEFORE THE COMMISSIONER OF INSURANCE OF THE STATE OF KANSAS

In the Matter of the Kansas)	
Resident Agent's License)	Docket No. 2868-CO
of CHERYL S. BAILEY)	

CONSENT ORDER

Cheryl S. Bailey ("Bailey") wishes to resolve this matter without formal adjudicative proceedings by entering into this Consent Order. The Commissioner of Insurance ("Commissioner") hereby makes the following findings of fact, conclusions of law and order, towit:

Findings of Fact

- 1. Records maintained by the Kansas Insurance Department ("KID") indicate that Bailey is a resident of the State of Kansas, and has a current mailing address of 12504 West 130 Terrace, Overland Park, Kansas 66213, and that she is licensed to transact the business of insurance as a resident insurance agent in the State of Kansas.
- 2. The Commissioner has jurisdiction over the subject matter of this proceeding and this proceeding is held in the public interest.
- 3. Sometime in March 2000, KID received from Bailey a statement accounting for the gross premiums upon all policies she wrote on risks situated in Kansas for 1999. She indicated that she had written 184 policies with gross premium of \$295,581.50 and paid the tax totaling \$17,734.89.
- 4. Upon further inquiry by KID, it was determined that Bailey dd not have a excess coverage license.

- 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. BaileyCheryl S. Bailey		
SUBMITTED AND APPROVED BY: _/s/ JaLynn Copp	_	
JaLynn Copp Attorney for Petitioner		
Kansas Insurance Department		