

**FINAL ORDER**  
Effective: 10/15/02

Docket No. 3094-SO

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 1998 Supp. § 40-2,125, and in accordance with the Kansas Administrative Procedure Act (as amended), K.S.A. §§ 77-501, *et seq.*,

## **Findings of Fact**

2. Golden Age Insurance is a corporation organized and existing under the laws of the State of Kansas and is engaged in the business of selling insurance and

conducts its business in the State of Kansas through its principal place of business at 8803 Long, Lenexa, Johnson County, Kansas.

3. Hilltop Manor is a nursing home operating at its principal place of business at 403 South Valley Street, Cunningham, Kansas 67035.

4. St. John's Rest Home Corp. is a corporation operating as a nursing home at 2403 Canterbury Road, Hays, Kansas 67601.

5. On or about August 9, 2002 UIRC transacted business within this state, through its agent, Golden Age Insurance, and offered to insure a risk in this state when it provided a quote to provide health care industry liability insurance to Hilltop Manor in consideration for a premium payment of \$28,613.00 plus a "risk management fee" of \$1,950.00, for a total of \$30,563.00.

6. On or about September 13, 2002 UIRC transacted business within this state, through its agent, Golden Age Insurance, and offered to insure a risk in this state when it provided a quote to provide health care industry liability insurance to St. John's Rest Home Corp. in consideration for a premium payment of \$114,700.00.

7. The records of the Kansas Insurance Department reveal that UIRC is not licensed or authorized to transact any type of business of insurance in the State of Kansas.

8. The records of the Kansas Insurance Department reveal that UIRC is not, nor ever has been, licensed or authorized to transact any type of business of insurance in the state of Kansas.

#### **Applicable Law**

9. K.S.A. § 40-209 provides, in part:

(a) Any insurance company organized under the laws of any other . . . state . . . may be authorized to transact

business in this state, when . . . [it] (3) has submitted an examination report of its financial condition and affairs which has been conducted by the insurance department of the state of domicile within three years of the date of application . . . (6) has been in operation at least three years and has been the subject of an examination of its affairs and financial condition . . .

10. K.S.A. § 40-214, provides, in part:

It shall be unlawful for any person, company, corporation . . . to transact the business of insurance . . . or do any act toward transacting such business, unless such person, company, corporation . . . 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 . . .

11. K.S.A. § 40-216 provides, in part: “No contract of insurance . . . shall be issued or delivered in this state until the form of the same has been filed with the commissioner of insurance, . . . “

12. K.S.A. 1998 Supp. § 40-2,125, provides, in part:

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged in or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation, . . . the commissioner may in the exercise of discretion, order . . . (1) Payment of a monetary penalty of not more than . . . \$2,000 for each and every act or violation; . . . or (3) that such person cease and desist from the unlawful act or practice . . .

13. K.S.A. § 77-537 provides, in part:

(b) A state agency may use summary proceedings, subject to a party’s request for a hearing on the order, if: (1) The use of those proceedings in the circumstances does not violate any provision of law; and (2) the protection of the public interest does not require the state agency to give notice and an opportunity to participate to persons other than the parties.

### **Conclusions of Law**

14. Based upon the findings of fact set forth above, it appears that UIRC has engaged in unlawful acts and practices, as prohibited by K.S.A. 1998 Supp. § 40-2,125.

15. Based upon the findings of fact set forth above, it appears that UIRC has transacted the business of insurance without being duly licensed and authorized, in violation of K.S.A. §§ 40-214 and 40-216.

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

Universal International Reinsurance Company Ltd. shall cease and desist from any and all business activity in the State of Kansas, including but not limited to the unauthorized and unlicensed transaction of the business of insurance in the State of Kansas as of September 27, 2002 and shall pay a monetary penalty in the amount of Four Thousand and 00/100 Dollars (\$4,000.00) for violation of K.S.A. § 40-214 and 40-216.

### **Notice of Rights**

UIRC is entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If UIRC desires a hearing, the company must file a written request for a hearing with:

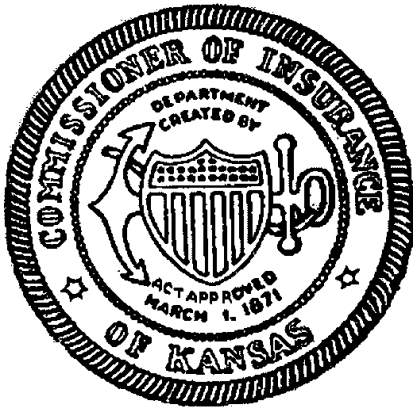
Kathy Greenlee, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

This request must be mailed within fifteen (15) days from the date of this Order. If UIRC requests a hearing, the Kansas Insurance Department will notify the company of the time and place of the hearing and information on the procedures, right of

representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Summary Order shall become final and effective upon the expiration of time for requesting a hearing.

**IT IS SO ORDERED THIS 27<sup>TH</sup> DAY OF SEPTEMBER, 2002, 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 Summary Order was transmitted by facsimile and U.S. Mail, postage prepaid, on this 27<sup>th</sup> day of September, 2002, to:

Mr. Hal Forkush, President  
Universal International Reinsurance Company Ltd.  
Windsor Place  
18 Queen Street  
Hamilton HM11  
Bermuda  
441-295-5444 (facsimile)

Mr. Steven C. Nordstrom, Executive Vice President  
Universal Risk Management, Inc.  
220 E. 65<sup>th</sup> #22M  
New York, NY 10021  
212-308-5326 (facsimile)

Mr. Lou Lienemann  
Golden Age Insurance  
8803 Long  
Lenexa, KS 66215  
913-492-5911 (facsimile)

\_ /s/ Linda Sheppard \_\_\_\_\_  
Linda Sheppard  
Staff Attorneys