

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of the Kansas)	
Nonresident Insurance Agent's)	Docket No. 3114-CO
License of RONALD E. BROWN)	

CONSENT ORDER

Ronald E. Brown ("Brown") 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, to-wit:

Findings of Fact

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Brown is a resident of the State of Missouri, and has a current mailing address of 8612 E. 97th Terrace, Kansas City, Missouri 64134 and that he is licensed to transact the business of insurance as a nonresident insurance agent in the State of Kansas.
2. Accordingly, the Commissioner has jurisdiction over Brown and the subject matter of this proceeding, and such proceeding is held in the public interest.
3. On May 25, 1999, Brown was appointed as an agent for American Family Insurance Company and American Family Mutual Insurance Company ("American Family").
4. Brown's license renewal date and continuing education compliance date was July 22, 2001.

5. On April 22, 2001, a reminder letter regarding Brown's license renewal date and continuing education compliance date was sent to him.

6. Brown did not renew his license and submit proof of his compliance with the continuing education requirements by July 22, 2001.

7. On July 22, 2001, Brown's license was suspended based on his failure to renew his license and submit proof of his compliance with the continuing education requirements.

8. On October 22, 2001, Brown's license was terminated based on his failure to renew his license and submit proof of his compliance with the continuing education requirements.

9. A letter was sent to American Family informing it of the termination of Brown's nonresident insurance agent's license in the State of Kansas in the first week of November 2001.

10. Brown continued to engage in the business of insurance and write policies with American Family who continued to accept the business after Brown was notified of his license suspension and termination and American Family was notified of his license termination.

11. On January 17, 2002, Brown reinstated his Kansas nonresident insurance agent's license.

12. On March 1, 2002, American Family appointed Brown as an agent with their company.

13. From July 22, 2001 to March 1, 2002, Brown sold, solicited or negotiated approximately 300 policies as American Family's agent.

Conclusions of Law

14. 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...”

15. K.S.A. 40-244 provides, in relevant part:

“It shall be unlawful for any person, without conforming to the provisions of this code, to represent himself or herself to be the agent of any insurance company, or, as agent, to negotiate, effect or attempt to effect any contracts of insurance, suretyship or indemnity or renewal thereof within this state.

16. K.S.A. 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, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation....

(3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision....”

17. Based upon the information contained in paragraphs 3 through 13 above, it appears that Ronald E. Brown transacted the business of insurance without having been duly authorized under the laws of this state to transact such business and had not received

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.

18. Based upon the information contained in paragraphs 3 through 13 above, it appears that Ronald E. Brown, without conforming to the code, represented himself to be an agent of American Family and as their agent negotiated, effected or attempted to effect contracts of insurance within this state, in violation of K.S.A. 40-244.

19. Based upon the information contained in paragraphs 3 through 13 above, it appears that sufficient evidence exists for a two thousand eight hundred fifty dollars (\$2,850.00) penalty against Ronald E. Brown for transacting the business of insurance without having been duly authorized under the laws of this state to transact such business and had not received proper written authority from the commissioner of insurance in conformity with the provisions of the laws of this state relative to insurance and represented himself to be an agent of American Family, when he was not, and as their agent negotiated, effected or attempted to effect contracts of insurance within this state pursuant to K.S.A. 40-2,125, in accordance with the procedures set forth in the Kansas Administrative Act, K.S.A. 77-501, et seq., as amended.

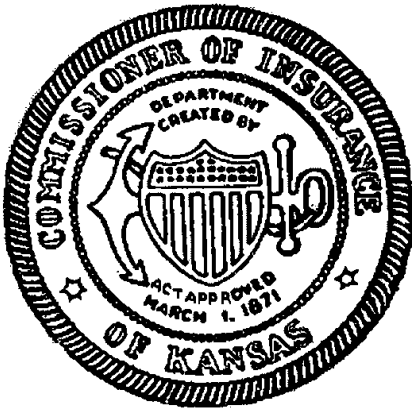
20. Ronald E. Brown admits to the allegations set forth herein this order as described above.

21. For the purposes of this Consent Order, Ronald E. Brown waives the 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. Ronald E. Brown shall cease and desist from the violations listed herein.
2. Ronald E. Brown shall remit to the Commissioner of Insurance a penalty pursuant to K.S.A. 40-2,125 in the amount of two thousand eight hundred fifty dollars (\$2,850.00) forthwith.

**IT IS SO ORDERED THIS __8th__ DAY OF __JANUARY,__ 2003, IN THE CITY
OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



____/s/ Matthew D. All_____
Matthew D. All
Assistant Commissioner of Insurance

____/s/ Ronald E. Brown_____
Ronald E. Brown

APPROVED AND SUBMITTED BY:

____/s/ JaLynn Copp_____
JaLynn Copp
Attorney for Petitioner
Kansas Insurance Department