

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

<b>FINAL ORDER</b>
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Effective: 10/10/03
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In the Matter of the Kansas Nonresident )		
Insurance Agent's License of )		Docket No. 3213-SO
PAUL E. FLAUGHER )		

**SUMMARY ORDER**

**(Pursuant to K.S.A. 2002 Supp. 40-4909 and K.S.A. 77-537)**

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2002 Supp. 40-4909, the Commissioner hereby revokes the nonresident agent's license of Paul E. Flaughner ("Flaughner") by way of Summary Order as provided by K.S.A. 77-537.

**Findings of Fact**

The Commissioner has been shown the following facts:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Flaughner is licensed as a nonresident agent to transact the business of insurance in the State of Kansas and has been so licensed since October 23, 2001. KID records further indicate a legal and mailing address of 11635 Davenport Plaza, Omaha, NE 68154.
2. The National Association of Insurance Commissioners ("NAIC") Regulatory Information Retrieval System ("RIRS") database reflects the following information: Flaughner's Oklahoma insurance agent's license was revoked, effective June 6, 2003, for failure to comply with a previous order; Flaughner's California license was revoked, effective December 25, 2002, as a result of another state's action; and Flaughner's Nebraska license was suspended for 180 days, effective June 26, 2002, for "demonstrated lack of fitness or trustworthiness.
3. By letter of July 7, 2003, the KID attempted to contact Flaughner for an explanation of the actions.

4. By letter of August 13, 2003, the KID again requested the information and advised that KID would take action to revoke Flaughers' Kansas license if his reply was not received by August 28, 2003.

5. To date, the KID has not received notice from Flaughers of the disciplinary actions, response to the letters, or a change of address.

### **Applicable Law**

6. K.S.A. 2002 Supp. 40-4909(a) provides, in relevant part:

“The commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the applicant or license holder has . . . (2) Violated: (A) Any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder . . . (C) any insurance law or regulation of another state; . . . (8) Used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.” K.S.A. 2002 Supp. 40-4909(a).

7. Administrative regulations require that a person licensed in this state as an insurance agent shall, within 30 days of the occurrence, report enumerated events to the Commissioner. Among these events are disciplinary action against the agent's license by the insurance regulatory official of any other state or territory and a change of address. K.A.R. § 40-7-9.

8. The Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the insurable interests of the public are not properly served under such license. K.S.A. 2002 Supp. 40-4909(b).

### **Conclusions of Law**

9. The Commissioner has jurisdiction over Flaughers as well as the subject matter of this proceeding, and such proceeding is held in the public interest.

10. The Commissioner finds that Flaughner has failed to report administrative actions against his license by three states, including his home state of Nebraska, as required by K.A.R. § 40-7-9.

11. The Commissioner concludes that Robinson either failed to respond to KID inquiries, despite warning that failure to respond would result in an action to revoke the license, or failed to submit a change of address as required by K.A.R. § 40-7-9.

12. Accordingly, the Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of Paul E. Flaughner, pursuant to K.S.A. 2002 Supp. 40-4909(a) in that Flaughner has committed at least four violations of K.A.R. § 40-7-9 and has failed to respond to the Commissioner's order to provide information.

13. The Commissioner finds that such conduct, in addition, demonstrates untrustworthiness in the conduct of business.

14. Moreover, the Commissioner finds that Flaughner's insurance agent's license should be revoked pursuant to K.S.A. 2002 Supp. 40-4909(b) for the protection of the insurable interests of the public.

15. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this matter is appropriate, in accordance with the provisions set forth in K.S.A. 77-537(a), in that the use of summary proceedings does not violate any provision of the law and the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Cherie A. Robinson.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agent's license of Cherie A. Robinson is hereby REVOKED.**

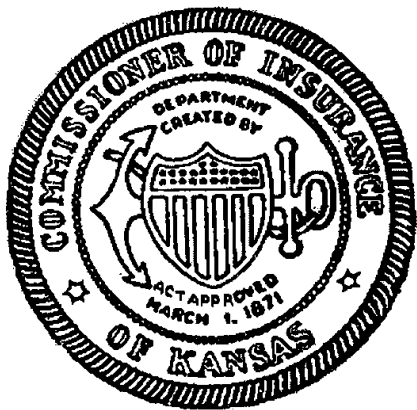
**Notice and Opportunity for Hearing**

Cherie A. Robinson, within fifteen (15) days of service of this Summary Order, may file with the KID written request for a hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9<sup>th</sup> Street, Topeka, KS 66612.

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with the reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this summary order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen-day period for requesting a hearing. The Final Order will constitute final agency action in this matter.

**IT IS SO ORDERED THIS 22<sup>nd</sup> DAY OF SEPTEMBER 2003, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



/s/ Sandy Praeger \_\_\_\_\_  
Sandy Praeger  
Commissioner of Insurance  
BY:

/s/ John W. Campbell \_\_\_\_\_  
John W. Campbell  
General Counsel

**NOTICE:** In the event Respondent files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the KID is John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9<sup>th</sup> St., Topeka, KS 66612-1678.

**Certificate of Service**

The undersigned hereby certifies that she served the above and foregoing Summary Order on this 22<sup>nd</sup> day of September 2003, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Cherie A. Robinson  
3013 Overbrook Ave.  
Norfolk, VA 23513

\_ /s/ Brenda J. Clary \_\_\_\_\_  
Brenda J. Clary