

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

FINAL ORDER

Effective: 06/01/04

In the Matter of the Kansas Resident)
Insurance Agent's License of)
ROGENA A. GRIGSBY)

Docket No. 3330-SO

SUMMARY ORDER

(Pursuant to K.S.A. 2003 Supp. 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2003 Supp. 40-4909, the Commissioner hereby orders the imposition of administrative penalties against Kansas resident insurance agent Rogena A. Grigsby ("Grigsby") 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 Grigsby is licensed as a resident agent to transact the business of insurance in Kansas and has been so licensed since April 5, 1977.
2. KID records further indicate a legal and mailing address of 1512 N.W. 60 Road, Attica, KS 67009.
3. On April 30, 2001, the KID Consumer Assistance Division ("CAD") received a complaint, dated April 19, from a consumer, Amy Brown, regarding coverage on an engagement ring. Brown alleged that she and her fiancé had purchased renter's insurance on January 8, 2001, the day after they purchased the ring, largely to obtain coverage on the ring. When the ring was lost in March 2001, they learned that the policy limited coverage to \$500 for jewelry. Brown

also noted previous delays in obtaining coverage through Grigsby on a vehicle and difficulties in getting Grigsby to return her calls.

4. By letter of June 7, 2001, a CAD representative requested Grigsby's response to the allegations.

5. When Grigsby had not responded by July 10, the CAD representative telephoned Grigsby and demanded an immediate response.

6. Grigsby responded by letter faxed to KID on July 11, 2001.

7. By letter dated July 11, 2001, LeRoy Brungardt ("Brungardt"), Director, KID Agents Division, reprimanded Grigsby for failure to respond to the KID inquiry.

8. On or about February 19, 2004, CAD received complaint alleging that Grigsby had failed to deliver a new homeowners policy to consumer and bill for a premium installment Toni Mitchell and, further, when Mitchell paid the premium to Grigsby after receiving a cancellation notice from the company, Grigsby failed to notify the company and submit the premium promptly.

9. In response to CAD's inquiry, the company, Farmers Mutual Insurance Company ("Farmers") reconstructed a timeline and confirmed that submission of the application, delivery of the policy and bill, and submission of the premium payment had been delayed by the agent.

10. Grigsby failed to respond personally to a CAD inquiry.

11. Brungardt reprimanded Grigsby by letter of March 25, 2004, for her handling of the consumer's insurance business and advised that further complaints of a similar nature could result in more serious action against her license.

12. A letter to KID dated March 26, 2004, from consumer Esther Davis, alleged that Grigsby promised but, despite several contacts initiated by Davis, failed to place Davis' homeowners coverage by the expiration date on a prior policy.

13. By letter dated March 31, 2004, Brungardt requested a response to the complaint by April 14, 2004.

14. By letter of April 20, 2004, Brungardt made a second request.

15. To date, Grigsby has not responded.

Applicable Law

16. K.S.A. 2003 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 any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder . . . (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. 2003 Supp. 40-4909(a).

17. In lieu taking other action under subsection (a), the commissioner may censure the licensee or impose an administrative penalty of \$500 per violation, or \$1000 for a knowing violation, up to a maximum of \$2500, or \$5000 for a knowing violation, for the same violation occurring within six calendar months from the date of the original violation. K.S.A. 2003 Supp. 40-4909(h).

18. “If any person fails to . . . respond to any proper inquiry of the commissioner, the commissioner, after notice and opportunity for hearing, may impose a penalty of up to \$500 for each violation or act, along with an additional penalty of up to \$100 for each week thereafter that such . . . information is not provided to the commissioner.” K.S.A. 40-2,125(b).

19. 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. 2003 Supp. 40-4909(b).

Conclusions of Law

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

21. The Commissioner finds that Grigsby has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in her handling of the Brown and Mitchell matters and has been reprimanded for same.

22. The Commissioner finds that Grigsby has, despite prior reprimands and a second request, failed to respond to a proper inquiry regarding the Davis complaint, in violation of K.S.A. 40-2,125 and K.S.A. 2003 Supp. 40-4909(a)(2) and (a)(8).

23. In light of the absence of information to the contrary, the Commissioner also must find that Grigsby has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in failing to place Davis' homeowners coverage by the expiration date on a prior policy.

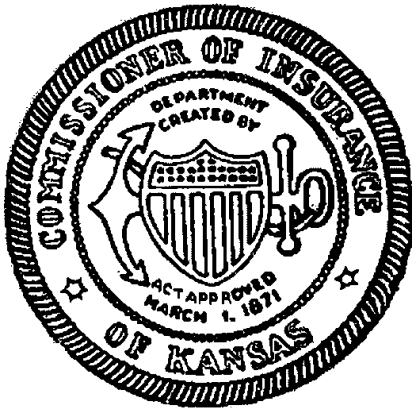
24. The Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of Rogena A. Grigsby pursuant to K.S.A. 2003 Supp. 40-4909(a).

25. However, the Commissioner finds that the public interest is best served by imposition of a fine for failure to respond and permitting Grigsby to retain her Kansas resident insurance agent's license subject to further action in the event of additional violations.

26. 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 Rogena A. Grigsby.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT Rogena A. Grigsby shall pay an administrative penalty of \$500 plus \$100 per week from the date of this order until paid. It is further ordered that, if the administrative penalty is not paid by the effective date of this order, the Kansas resident insurance agent's license of Rogena A. Grigsby shall be suspended until such time as all penalties are paid in full.

IT IS SO ORDERED THIS 13th DAY OF MAY 2004, 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: The person 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. 9th St., Topeka, KS 66612.

Certificate of Service

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing **Notice** and **Summary Order** on this 13th day of May 2004, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Rogena A. Grigsby
1512 N.W. 60 Road
Attica, KS 67009

_s/ Rogena A. Grigsby _____
Brenda J. Clary

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

In the Matter of the Kansas Resident)
Insurance Agent's License of) Docket No. 3326-SO
ROGENA A. GRIGSBY)

NOTICE OF SUMMARY ORDER

Notice is hereby given that the attached Summary Order will become effective fifteen (15) days after service of this Notice unless Respondent Rogena A. Grigsby files with the Kansas Insurance Department ("KID") a written request for a hearing, as provided by K.S.A. 77-542. In the event a hearing is requested, the attached summary order will serve to give notice of the allegations upon which KID bases its proposed action.

A request for hearing should be directed to John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9th Street, Topeka, KS 66612.

Any costs incurred as a result of conducting any administrative hearing may be assessed against an agent who is the subject of the hearing as provided by K.S.A. 40-4909(f).

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.

Dated this 13th day of May 2004.

_s/ Brenda J. Clary _____
Brenda J. Clary
Staff Attorney
Kansas Insurance Department