

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

In the Matter of the Kansas Resident)
Insurance Agent's License of)
COLLEEN R. NOLL)

Docket No. 3408-CO

CONSENT ORDER

The Kansas Insurance Department (“KID”) and resident insurance agent Colleen R. Noll (“NOLL”) wish to resolve allegations of misconduct without formal adjudicative proceedings by entering into this Consent Order. Having been advised of her right to a hearing prior to the issuance of an order, Noll stipulates to the following facts, upon which the Commissioner of Insurance (“Commissioner”) bases her conclusions of law and issues the order, and Noll voluntarily waives hearing and review of the order.

Findings of Fact

The Commissioner has been shown the following:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate that Noll is licensed as a resident agent to transact the business of insurance in Kansas, and has been so licensed since March 29, 1982.
2. KID records further indicate a legal and mailing address for Noll of 205 E. 4th, P.O. Box 734, Cheney, KS 67025.
3. By letter dated October 28, 2004, Garden Plain State Bank (“the Bank”) notified KID that Noll’s employment had been terminated for cause.
4. Between October 28 and December 22, 2004, the Bank provided KID with copies of four Suspicious Activity Reports that had been sent to banking regulators regarding activities involving Noll.

5. At the time of the incidents described, Noll was the managing agent of United Insurance Agency, Inc., (“the Agency”), a wholly owned subsidiary of the Bank located in Cheney, Kansas.

6. At the time of the incidents described, the Agency maintained a premium deposit account with the Bank and insurance companies were able to charge the account electronically for premium.

7. An audit prompted by a report that there were shortages in the premium account indicated that Noll’s personal insurance was being paid from the account even though Noll had not deposited premium funds.

8. In a November 23, 2004 letter to KID, Noll admitted to holding her personal checks to the Agency until they would clear while paying premium on personal insurance from the Agency account.

9. The Commissioner finds that Respondent’s practice was essentially unauthorized borrowing of funds received on behalf of the Agency in the course of doing insurance business for payment of Respondent’s personal premium obligations.

Conclusions of Law

10. K.S.A. 2004 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: . . . (4) Improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business . . . (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. 2004 Supp. 40-4909(a).

11. The Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the interests of the insurer or the insurable interests of the public are not properly served under such license. K.S.A. 2004 Supp. 40-4909(b).

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

13. Based upon the agreed facts contained in paragraphs 3 through 9 above and in the supporting documents, the Commissioner finds that Noll has improperly withheld, misappropriated or converted moneys, albeit temporary, that were received in the course of doing insurance business.

14. The Commissioner finds that Respondent's intent is not a critical fact because her payment of personal obligations with Agency/Bank funds has, at a minimum, demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

15. However, the Commissioner concludes, based on all information provided to KID as of the date of this order that the insurable interests of the public are served under a probationary resident insurance agent's license with Noll remaining under supervision for at least two years.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agent's license of Colleen R. Noll is hereby made subject to a probationary period of two years from the effective date of this Order, to be supervised in her employment with "M & M Insurance Associates" of Wichita, Kansas. During such probationary period, Noll is ordered to report any consumer complaints relating to her professional competence to the Kansas Insurance Department Director of Agent Licensing and not to change employment without leave of the Director of Agent Licensing. Noll is ordered to

pay a fine of \$500.00. It is further ordered that violation of this order will result in proceedings to revoke Kansas resident insurance agent's license of Colleen R. Noll.

IT IS SO ORDERED THIS 11th DAY OF JULY 2005, 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

/s/ Colleen R. Noll
Colleen R. Noll

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 Consent Order on this 21st day of July 2005, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Colleen R. Noll
205 E. 4th
PO Box 734
Cheney, KS 67025

/s/ Shelley J. Diehl
Shelley J. Diehl
Staff Attorney

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NOTICE OF CONSENT ORDER

Notice is hereby given that the attached Consent Order will become effective fifteen (15) days after service of this Notice unless Respondent 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 11th day of July 2005.

_ /s/ Shelley J. Diehl _____
Shelley J. Diehl
Staff Attorney
Kansas Insurance Department