

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

In the Matter of Kansas Resident        )  
Insurance Agent's License of            )  
**EUGENE W. SLOAN**                        )                        Docket No. 3598-SO

**SUMMARY ORDER**

(Pursuant to K.S.A. 2004 Supp. 40-4909 and K.S.A. 77-501 *et seq.*)

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909, the Commissioner hereby assesses a monetary penalty and one year probation against the license of Respondent Eugene W. Sloan ("Respondent") by way of Summary Order, as provided by K.S.A. 77-537.

**Findings of Fact**

The Commissioner finds the following fact from Kansas Insurance Department files:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that the Respondent is licensed as a resident agent to transact the business of insurance in Kansas and has been so licensed since 9/14/94.
2. KID records indicate a legal address of P.O. Box 524, Satanta, Kansas 67870-0524.
3. On or about 11/04/04, KID received a complaint from consumers [REDACTED] and [REDACTED] ("The [REDACTED]
4. On 4/19/04 the [REDACTED] contracted with Respondent for Homeowner's insurance on a home located at [REDACTED] [REDACTED]
5. Respondent photographed the home and sent an insurance binder and a copy of the bill for the premium to the [REDACTED] real estate agent.

6. On April 30, 2004, the insurance premium was paid by American Title & Abstract in Liberal, Kansas (“American Title”)
7. On or about April 30, 2004 American Title forwarded the premium to the Brooke Agency of Satanta, Respondent’s employer.
8. On June 16, 2004, as a result of a storm, the [REDACTED] trampoline was blown over a fence at their home in Sublette and caused damage to a car owned by their neighbor.
9. The [REDACTED] contacted the Brooke Agency of Satanta to inform them of the claim and were told they did not have Homeowner’s insurance coverage.
10. After receiving the application and the premium check, Respondent failed to forward the application and check to the intended insurance company, Farmers Mutual Insurance Company.
11. The premium check and the application remained in Respondent’s file in the Brooke Insurance office in Satanta until his termination.
12. The [REDACTED] were required to pay three hundred dollars (\$300) in damages for the vehicle out-of-pocket.
13. The Klassens were unable to obtain the insurance coverage quoted by the Respondent at the rate quoted by the Respondent through Farmers Mutual or any other company.

**Applicable Law**

K.S.A. 40-4909 states, in pertinent part:

- (a) 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.
- (b) In lieu of taking any action under subsection (a), the commissioner may:
- (1) Censure the person;
  - (2) Issue an order imposing an administrative penalty up to a maximum of \$500 for each violation...If the person knew or reasonably should have known the violative act could give rise to any disciplinary proceeding authorized by subsection (a), the commissioner may impose a penalty up to a maximum of \$1,000 for each violation...

#### **Conclusions of Law**

1. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
2. The Commissioner finds, based on the facts contained in paragraph #1 through #13, and the applicable law, that Respondent has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.
3. The Commissioner finds that Respondent improperly withheld moneys received in the course of doing insurance business.
4. Based on the Respondent's conduct, the Commissioner concludes that sufficient grounds exist for the suspension of Respondent's insurance agent pursuant to K.S.A. 40-4909(b) because such license is not properly serving the interests of the insurer and the insurable interests of the public.
5. However, the Commissioner finds that, pursuant to K.S.A. 40-4909(h)(2) the Respondent shall be fined three hundred dollars and no cents (\$300.00) and

placed on probation for six (6) months in lieu of suspension. The Respondent shall retain his Kansas insurance resident agent's license during the probationary period of six (6) months from the effective date of this Order. As a condition of his probation, the Respondent shall complete and submit verification of ten (10) hours of continuing education centered on ethics in addition to any continuing education hours required for his renewal. The additional hours must be completed within six (6) months of the effective date of this Order.

6. The Commissioner concludes that, pursuant to K.S.A. 40-4909(h)(2), Respondent shall pay an administrative penalty in the amount of five hundred dollars and no cents (\$500.00) for violation of K.S.A. 40-4909(a)(4) and K.S.A. 40-4909(a)(8).

This penalty must be paid within six (6) months of the effective date of this Order.

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

Eugene W. Sloan shall pay an administrative penalty of Five hundred dollars and no cents (\$500.00) within six (6) months of the effective date of this Order. Three hundred dollars and no cents (\$300.00) of the administrative penalty shall be refunded to the [REDACTED] as reparations for expenses incurred. It is further ordered that Eugene W. Sloan shall retain his Kansas resident insurance agent's license on a probationary basis for six (6) months from the effective date of this Order. Additionally, Respondent shall complete ten (10) hours of continuing education centered on ethics in addition to any continuing education hours required for his renewal within six (6) months of the effective date of this Order.

**Notice and Opportunity for Hearing**

Eugene W. Sloan, within 15 days of service of this Summary Order, may file with the KID a 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 2004 Supp. 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 (15) day period for requesting a hearing.

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. 9<sup>th</sup> Street  
Topeka, KS 66612

**IT IS SO ORDERED THIS 30th DAY OF DECEMBER, 2006, 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

**Certificate of Service**

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing Summary Order on this 30th day of October, 2006, by placing the same in the United States Mail, first class postage prepaid, addressed to the following:

Eugene W. Sloan  
P.O. Box 524  
Satanta, KS 67870-0524

/s/ Zachary J.C Anshutz  
Zachary J.C. Anshutz  
Staff Attorney