

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

In the Matter of the Kansas Resident)
Insurance Agent’s License of)
CHRISTY JOHN) Docket No. 3637-SO

CONSENT ORDER

THE KANSAS INSURANCE DEPARTMENT (“KID”) by and through its attorney, and CHRISTY JOHN (“Respondent”) by and through her attorneys, Richard Helfand and Janet Oliver, wish to resolve the above-captioned matter before the Insurance Commissioner without formal adjudication by entering into this Consent Order.

Having been advised of her right to a hearing prior to the entry of a final order, Respondent stipulates that evidence of the matters listed below under the heading of Findings of Fact would be admissible if offered at a hearing, and it is upon this evidence that the Insurance Commissioner (“Commissioner”) bases her findings of fact, conclusions of law, and enters the order. Respondent agrees to the order and voluntarily waives hearing and review of the order.

Pursuant to the authority granted by K.S.A. 40-103 et seq. and K.S.A. 77-501 et seq., the Commissioner of Insurance hereby accepts the voluntary surrender of the Kansas Resident Insurance Agent’s License of Respondent.

Findings of Fact

The parties stipulate that if a hearing were conducted in this matter, the following evidence could be adduced by the Commissioner of Insurance, and although neither

admitted nor denied by Respondent, would be recognized as admissible to show the following:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate that Respondent is licensed as a resident agent to transact the business of insurance in the State of Kansas.
2. KID records further indicate Respondent’s legal and mailing address as 13630 S. Sycamore Street, Olathe, Kansas 66062.
3. This matter was referred to KID by American Family Insurance Group (“American Family”) which requested examination of numerous instances of alleged insurance abnormalities regarding Respondent in both Kansas and Missouri.
4. On August 10, 2006, Respondent appeared, pursuant to a Missouri Department of Insurance Subpoena Duces Tecum with her counsel for an informal fact-finding conference regarding her Non-Resident Insurance Agent’s License in the State of Missouri.
5. Respondent advised she had previously worked for American Family Insurance Group and maintained the Christy John Agency in the State of Kansas prior to her resignation from American Family Insurance Group on March 1, 2006.
6. At the informal fact-finding conference, when asked about her ability to maintain the daily activities of the Christy John Agency in an efficient manner, Respondent advised she could not keep up with it.

7. Respondent stated that not all new applications for insurance were submitted to American Family in a timely manner and that it may have been on average three weeks for an application for insurance to be entered.
8. Respondent stated all applications, changes, and endorsements were not submitted to American Family within thirty days of completion.
9. Respondent stated checks may have “sat on her desk” for 30 days without being deposited and that it was “very possible” that insurance applications, policy changes or mail may have been lost.
10. Respondent stated, occasionally, when she was doing paperwork, she would “come across” an application and note that there was a payment that had not been applied.
11. Respondent stated that money may have been sitting on a desk somewhere for 30 days.
12. Respondent stated she did not put money for a current policy into her premium trust account in a timely manner.
13. Respondent could not recall and did not know if she ever transferred money from her premium trust account to her office business account.
14. During the informal fact-finding conference Respondent was asked about several discrepancies.
15. Specifically, Respondent was questioned about bank records regarding a \$693.38 check from [REDACTED]. Respondent advised she did not have time to review her accounts, and that she never, in all of the years she worked for American Family reconciled her premium trust account.

16. Respondent stated, when asked if the Christy John Agency posted all accounts after money was received from insureds on new business or premium payments in a timely manner (a week or so), “No, I was too busy.”
17. Respondent further indicated she was “too busy” to look at her bank statements.
18. Respondent indicated that she did not know if a policy was issued as a result of Ms. [REDACTED] check.

Applicable Law

K.S.A. 2006 Supp. 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:
 - (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 addition, the commissioner may suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the interests of the public are not properly served under such license.

Conclusions of Law

Based on the Findings of Fact stated above in Paragraphs #1-#18 and the Applicable Law, the Commissioner finds:

1. The Commissioner has jurisdiction over Respondent and the subject matter of this proceeding and such proceeding is held in the public interest.
2. It appears Respondent violated K.S.A. 2006 Supp. 40-4909 in her business practice with the Christy John Agency.
3. In lieu of suspension or revocation of the Kansas Resident Insurance Agent's License of Respondent, the Commissioner hereby accepts the **VOLUNTARY SURRENDER** of the Kansas Resident Insurance Agent's License of Christy John effective upon the effective date of this Order.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT

The Kansas Resident Insurance Agent's License of Christy John is hereby **VOLUNTARILY SURRENDERED** effective upon the effective date of this Order.

IT IS FURTHER ORDERED THAT

Respondent, Christy John, shall cease and desist from the sale, solicitation, or negotiation of insurance and/or receiving compensation deriving from the sale, solicitation or negotiation of insurance conducted after the effective date of this Order.

NOTICE OF RIGHTS

Christy John is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedures Act. If Christy John desires a hearing, the company must file a written request for a hearing with:

John W. Campbell, General Counsel
Kansas Insurance Department

420 S.W. 9th Street

Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order.

If Christy John requests a hearing, the Kansas Insurance Department will notify her of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of the same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-613. In the event the Respondent files a petition for judicial review pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel

Kansas Insurance Department

420 S.W. 9th Street

Topeka, Kansas 66612

IT IS SO ORDERED THIS 2nd DAY OF JULY, 2007, 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

APPROVED AS TO FORM
AND CONTENT BY:

CHRISTY JOHN, RESPONDENT

BY: /s/ Richard Helfand
Richard Helfand

/s/ Janet Oliver
Janet Oliver
Attorneys for Respondent

KANSAS INSURANCE DEPARTMENT

BY: /s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
Staff Attorney
Kansas Insurance Department