

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

FINAL ORDER

Effective: 09-18-07

**In the Matter of the Kansas Resident)
Insurance Agency's License of)
THE BROWN AGENCY)**

Docket No. 3691-EO

EMERGENCY ORDER

(Pursuant to K.S.A. 2006 Supp. 40-4909, and K.S.A. 77-536)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by the statutes cited above, the Commissioner hereby makes the following findings of fact, conclusions of law, state policy reasons, and orders as follows:

Findings of Fact

The Commissioner has been shown the following:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Respondent is licensed as a resident agency to transact the business of insurance in the State of Kansas, and has been so licensed since May 22, 2003. KID records further indicate a legal address of 3500 Rainbow Boulevard, Kansas City, Kansas 66103 and a mailing address of 3408 Rainbow Boulevard, Kansas City, Kansas 66103
2. Records maintained by KID indicate that Deatrice B. Brown and Ronald E. Brown are the sole affiliated agents of the agency.
3. On or about October 11, 2005, [REDACTED] filed a complaint with KID after she received notice from her insurer that her policy had been canceled per her request. Ms. [REDACTED] advised that she made no such request.
4. On or about January 27, 2006, GeoVera Holdings, Inc., which wholly owns USF&G Specialty Insurance Company, responded to the complaint by [REDACTED] and

advised KID that the Brown Insurance Agency was not appointed by and did not represent USF&G Specialty Insurance Company.

5. On or about March 19, 2007, UPAC Insurance Financing notified KID that several attempts were made to collect a return premium from the Brown Insurance Agency.

6. On or about March 19, 2007, UPAC Insurance Financing notified KID that UPAC received two payments made by the Brown Insurance Agency that were returned by the bank for insufficient funds.

7. On or about March 23, 2007, [REDACTED] filed a civil lawsuit in the United States District Court for the Western District of Missouri against Ron E. Brown, Respondent, the Brown Insurance Agency, and other defendants alleging breach of insurance contract, tort of outrage and civil conspiracy.

Applicable Law

8. K.S.A. 40-2,125(c) states, in relevant part:

If the Commissioner makes written finds of fact that there is a situation involving an immediate danger to the public health, safety or welfare or the public interest will be irreparably harmed by delay in issuing an order under subsection (a)(3), the commissioner may issue an emergency temporary cease and desist order.

9. K.S.A. 2006 Supp. 40-4909(d) states, in relevant part:

The license of any business entity may be suspended, revoked or refused renewal if the insurance commissioner finds that any violation committed by an individual licensee employed by or acting on behalf of such business entity was known by or should have been known by one or more of the partners, officers or managers acting on behalf of the business entity and:

- (1) Such violation was not reported to the insurance commissioner by such business entity; or
- (2) such business entity failed to take any corrective action.

Conclusions of Law

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

11. Based on the facts and circumstances set forth herein, it appears that the Brown Insurance Agency placed business with a company for which it was not appointed by and did not represent, that the Brown Insurance Agency did not pay a return premium that was owned to another entity, that the Brown Insurance Agency issued checks that were returned by the bank for insufficient funds, and that the Brown Insurance Agency and its agents have been sued based on their business practices.

12. The actions of Respondent constitute a fraudulent or dishonest practice or demonstrate untrustworthiness in the conduct of business in this state or elsewhere.

13. The insurable interests of the public are not properly served under respondent's license.

14. The Commissioner finds that the acts of the respondent present an immediate danger to the public safety and welfare, and that the respondent's ongoing misconduct gives rise to a reasonable belief that such acts will be repeated and that immediate action is necessary for the protection of the public.

15. Accordingly, the Commissioner finds that the Kansas insurance license of the Brown Insurance Agency should be suspended without delay.

16. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in the 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 provisions of law

and the protection of the public interest does not require KID to give notice and opportunity to participate to persons other than Respondent, Brown Insurance Agency.

IT IS THEREFORE ORDERED, BY THE COMMISSIONER OF INSURANCE,
that:

1. The Respondent the Brown Insurance Agency shall **IMMEDIATELY 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,

2. The Commissioner of Insurance retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order or orders as may be deemed proper.

Notice of Right to Hearing or Appeal

You are entitled to a hearing pursuant to K.S.A. § 77-542, the Kansas Administrative Procedure Act. If you desire a hearing, you 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 you request a hearing, the Kansas Insurance Department will notify you 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 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 that you file 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 21st DAY OF AUGUST 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 and Submitted by:

 /s/ Stacy R. Bond
Stacy R. Bond
Staff Attorney

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing **Emergency Order** was served on this __21st__ day of August, 2007, by placing the same in the United States Mail, first class postage prepaid, addressed to the following:

Brown Insurance Agency
3408 Rainbow Boulevard
Kansas City, Kansas 66103

_____/s/ Stacy R. Bond_____
Stacy R. Bond
Staff Attorney