

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

FINAL ORDER

Effective: 09-18-07

In the Matter of the Kansas Resident)
Insurance Agent's License of)
RONALD E. BROWN)

Docket No. 3689-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 agent to transact the business of insurance in the State of Kansas, and has been so licensed since May 22, 2003. KID records further indicate an address of 3408 Rainbow Boulevard, Kansas City, Kansas 66103.
2. On January 8, 2003, KID issued a summary order against Respondent for various violations of Kansas law.
3. On or about July 23, 2004, KID was notified by Thomas R. Fields, Esq. that Respondent issued a certificate of liability to [REDACTED] without approval from the Missouri Employer's Mutual Insurance.
4. 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.

5. On or about October 31, 2005, USF&G Specialty Insurance Company responded to the complaint by [REDACTED] and advised KID that the policy was rescinded back to its effective date of August 12, 2005 by the Brown Insurance Agency on August 13, 2005.

6. On or about November 29, 2005, Deatrice (“DeeDee”) Brown, a Kansas resident agent working for the Brown Insurance Agency, notified KID that, “This policy was requested cancelled in writing directly to the carrier by Ms. [REDACTED] we assume since this agency never sent in a cancellation request.”

7. On or about December 30, 2005, USF&G Specialty Insurance Company responded to the complaint by [REDACTED] and advised KID that the policy was cancelled on August 13, 2005 by Respondent using his computer user number.

8. On or about November 14, 2005, Foremost Insurance Group notified KID that its contract with Respondent was terminated for fraud, material misrepresentations, and failure to pay the agent’s account less the agent’s commission.

9. On or about May 10, 2006, Ronald and Deatrice Brown attended a fact finding conference pursuant to subpoena with the Missouri Department of Insurance. During that conference Ronald Brown and Deatrice Brown were asked to submit several documents.

10. On or about October 3, 2006, a second Subpoena Duces Tecum was served on Ronald Brown for November 8, 2006. This subpoena requested that the documents requested on May 10, 2006 be produced. This subpoena informed Ronald and Deatrice Brown that a failure to obey the subpoena would result in a violation of Section 374.210 RSMo and Section 375.141 RSMo.

11. On or about November 6, 2006, Ronald and Deatrice Brown requested that the subpoena conference be continued so that they may surrender their insurance licenses. The

Missouri Department of Insurance granted the request and continued the subpoena conference until November 16, 2006. The continuance was granted on the condition that the voluntary surrender of Ronald Brown's license be completed prior to the end of business on November 15, 2006. If this was not accomplished then Mr. Brown was required to attend the subpoena conference on November 16, 2006.

12. Neither Ronald Brown, nor Deatrice Brown surrendered their Missouri insurance license on or before November 15, 2006.

13. On or about November 16, 2006 Ronald Brown and Deatrice Brown failed to appear on the subpoena.

14. On March 21, 2007, Ronald Brown submitted a Voluntary Surrender of his Missouri producer's license

15. 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, Brown Insurance Agency, and other defendants alleging breach of insurance contract, tort of outrage, and civil conspiracy.

16. On or about June 9, 2006, [REDACTED] purchased insurance on properties located at [REDACTED] and [REDACTED], from the Brown Insurance Agency.

17. On or about June 9, 2007, [REDACTED] purchased insurance on property located at [REDACTED], from the Brown Insurance Agency.

18. On or about August 2, 2007, [REDACTED] filed a complaint with KID after he became aware after a fire that he did not have insurance coverage and that the policy numbers

that were provided by Ronald E. Brown of the Brown Insurance Agency were fraudulent and that one of the policy numbers actually belonged to property located in North Carolina.

Applicable Law

19. 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.

20. K.S.A. 2006 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:

(C) any insurance law or regulation of another state.

(D) any subpoena or order issued by the regulatory official for insurance in another state.

(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.

Conclusions of Law

21. 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.

22. Based on the facts and circumstances set forth herein, it appears that Ronald E. Brown issued a certificate of liability without approval, that Ronald E. Brown cancelled a policy without a request from an insured, that a company terminated its contract with Ronald E. Brown for fraud, material misrepresentations, failure to pay the agent's account less the agent's commission, that Ronald E. Brown has been sued based on his business practices, that Ronald E. Brown issued Evidence of Property Insurance with false policy numbers, and that Ronald E. Brown failed to obey a subpoena issued by the Missouri Department of Insurance, therefore violating the regulations of another state.

23. Based on the facts, the actions of Respondent constitute a fraudulent or dishonest practice or demonstrate untrustworthiness in the conduct of business in this state or elsewhere.

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

25. 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.

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

1. Ronald E. Brown 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:

Ronald E. Brown
3408 Rainbow Boulevard
Kansas City, Kansas 66103

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