

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

In the Matter of the Kansas)
Resident Insurance Agent’s License of) Docket No. 3921-SO
DENISE R. LACY)
NPN #6122642)

SUMMARY ORDER

(Pursuant to K.S.A. 2007 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 revokes the resident agent’s license of Respondent, Denise R. Lacy (“Ms. Lacy”). This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

Findings of Fact

The Commissioner finds the following facts:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate Respondent is licensed as a resident agent to transact the business of insurance in the State of Kansas, and has been so licensed since March 10, 1997.
2. KID records further indicate a legal address of 618 S. Bury St., Tonganoxie, KS 66086 and a mailing address of PO Box 91, Tonganoxie, KS 66086-0091. However, on July 21, 2008, Respondent sent a letter to KID stating that she was no longer using either of these addresses and that her current address is 617 Laughlin St., Tonganoxie, KS 66086.
3. On or about July 2, 2008, KID received information from Alan Hackley, Regional Manager, Special Investigations for Cincinnati Insurance Companies that an agent had filed a fraudulent insurance claim.

4. Mr. Hackley provided information that showed that on July 5, 2006 a claim was made on the home-owners insurance policy of [REDACTED]. The claim was in regards to storm damage to his home located at [REDACTED], Kansas.
5. The amount of this claim was \$3000.00. A check was sent to RC Lacy [REDACTED], [REDACTED] Kansas for \$2500 for the repairs to Mr. [REDACTED] home. This represented the \$3000 claim minus Mr. [REDACTED] \$500 deductible.
6. On July 11, 2006, another claim was made to the home-owners insurance policy of [REDACTED]. This claim was listed as a supplemental payment for claim number [REDACTED] (storm damage to house) as payment for deck repairs damaged by hail. The amount of this check was \$289.80 and was also sent to RC Lacy.
7. RC Lacy is the Respondent's ex-husband; [REDACTED] is the Respondent's father.
8. In May of 2008, Cincinnati sent a W-9 request letter to RC Lacy concerning these payments.
9. Mr. Lacy called Cincinnati and reported that he did not do any repairs for [REDACTED] [REDACTED] nor did he receive the two checks that were reported to have been sent to him. Mr. Lacy further stated that Mr. [REDACTED] is his ex-father-in-law.
10. On June 26, 2008, Respondent spoke with Alan Hackley, Mr. Hackley states that at that time Respondent admitted to him that she had fabricated the insurance claim and that when the checks arrived she deposited them into a joint account held by herself and RC Lacy and that she then immediately withdrew the funds.

Applicable Law

11. 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:
 - (2) Violated
 - (A) any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule or regulation promulgated thereunder;
 - (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 insurer or the insurable interests of the public are not properly served under such license.
12. K.S.A. 40-2,118 states, in pertinent part: committed a fraudulent act by knowing and with intent to defraud presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer . . . any written statement in as part of or in support of . . . a claim for payment or other benefit pursuant to an insurance policy . . . which such person knows to contain materially false information concerning any fact material thereto.

Conclusions of Law

- 13. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
- 14. The Commissioner finds that Respondent's conduct in preparing a false invoice for repair work and submitting the same as a claim on a homeowner's policy is a violation of K.S.A. 2007 Supp. 40-2,118.
- 15. The Commissioner finds that the Respondent's actions in preparing a false invoice and submitting the same as a claim on a homeowner's policy demonstrating a dishonest practice or untrustworthiness a violation of K.S.A. 2007 Supp. 40-4909(a)(8).

16. The Commissioner finds, pursuant to K.S.A. 40-4909(b), that the insurable interests of the public are not properly served under Respondent's license.
17. Accordingly, the Commissioner concludes sufficient grounds exist for the revocation of the insurance agent's license of Denise R. Lacy pursuant to K.S.A. 2007 Supp. 40-4909(a) and (b).

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The Kansas Resident Insurance Agent's License of DENISE R. LACY is hereby **REVOKED** effective the effective date of this Order.
2. **IT IS FURTHER ORDERED** that DENISE R. LACY 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 AND OPPORTUNITY FOR HEARING

Denise R. Lacy, within fifteen (15) days of service of this Summary Order, may file with the Kansas Insurance Department a written request for 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. 9th Street
Topeka, Kansas 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent/agency who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with 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 Final Order will constitute final agency action in the matter.

In the event the Petitioner files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th St.
Topeka, Kansas 66612

IT IS SO ORDERED THIS __18th__ DAY OF AUGUST, 2008, 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 she served the above and foregoing Summary Order on this __18th__ day of ____August____, 2008, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Denise R. Lacy
617 Laughlin Street
Tonganoxie, KS 66086

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

NOTICE OF RIGHTS

Pursuant to K.S.A. §77-601 et seq. Denise R. Lacy is entitled to judicial review of this Final Order. The petition for judicial review must be filed within thirty (30) days of service of this Final Order (Plus three (3) days for service by mail pursuant to K.S.A. §77-531). In the event, Denise R. Lacy 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

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the above and foregoing Final Order on this 8th day of September, 2008, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Denise R. Lacy
617 Laughlin Street
Tonganoxie, Kansas 66086

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