

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

**In the Matter of the Kansas Nonresident)
Insurance Agent’s License of)
CHRISTOPHER S. DORMAN,)
NPN #1319713,)
And the Kansas Nonresident)
Insurance Agency Licenses of)
INSURANCE ADVISORS, INC.,)
#204529551-000,)
And)
UNITED HEALTH AND LIFE CORP.,)
#270224338-000.)**

Docket No. 4238--SO

SUMMARY ORDER

(Pursuant to K.S.A. 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 40-4909, the Commissioner hereby proposes to find facts and revoke the Kansas nonresident insurance agent’s license of Christopher S. Dorman (“Respondent”) and the insurance agency licenses of Insurance Advisors, Inc., and United Health and Life Corporation (“Respondent Agencies”) by way of Summary Order as provided by K.S.A. 77-537.

Findings of Fact

1. Records maintained by the Kansas Insurance Department (“KID”) reflect that Respondent is licensed as a nonresident agent to transact the business of insurance in Kansas and has been so licensed since April 8, 2003.
2. KID records further indicate Respondent’s legal address is 200 Heidi Rae Ct., Goldsby, OK 73093, and his mailing address is PO Box 238, Washington, OK 73093.

3. Both Respondent Agencies, Insurance Advisors, Inc. (“Insurance Advisors”), and United Health and Life Corporation (“United Health and Life”), were licensed as Kansas nonresident insurance agencies on June 11, 2009.
4. According to KID records, the legal and business address for Insurance Advisors, Inc. is 2424 Springer Drive, Suite 104, Norman, OK 73069.
5. According to KID records, Respondent is the sole owner and officer of the agency and the only affiliated agent.
6. According to KID records the legal address for United Health and Life is 1001 West Eules Boulevard, Suite 360, Eules, Texas, and its mailing address is 1209 Orange St., Corporation Trust Center, Wilmington, DE 19801.
7. According to KID records, Jason Myers (“Myers”) and Alexa Dorman own the agency.
8. Neither Myers nor Alexa Dorman holds a Kansas insurance agent’s license, and Respondent is the only Kansas licensed agent listed as affiliated with the agency.
9. KID records reflect that Respondent is the Kansas licensed agent designated by each Respondent Agency as the agent responsible for the agency’s compliance with the insurance laws and regulations of Kansas.
10. Insurance Administrative Services, LLC (“IAS”) was, at all times relevant, an Oklahoma business entity not authorized to act as an insurer or third party administrator (“TPA”) in Kansas.
11. Following investigation, the Commissioner has no reason to believe that protection of the public interest requires the Commissioner to give notice and opportunity to participate to anyone other than the respondent.

12. Following investigation, the Commissioner finds evidence sufficient to support the following findings of fact regarding consumer complaints:

13. Consumer B.T. purchased what she believed was insurance from Careington International through United Health and Life in October 2009 and learned in July 2010 that it was a discount plan that did not meet her needs.

14. When KID contacted Respondent about the complaint, Respondent did not investigate, respond, or participate in resolving the complaint alleging misrepresentation by representatives of his agency.

15. Respondent simply denies he personally sold the plan.

16. In the summer of 2009, consumer F.K. cancelled a high deductible medical policy and purchased what she believed was medical insurance through United Health & Life.

17. In fact, F.K. purchased an Advant Benefit Package, which is a discount plan, a \$5000 emergency room benefit underwritten by a Lloyd's syndicate, and a critical illness rider on a life insurance policy with Guarantee Trust Life.

18. Respondent submitted the application for the Guarantee Trust Life policy, which was solicited by telephone by an unlicensed representative of the agency.

19. The Guarantee Trust Life policy, with the critical illness rider, was cancelled for nonpayment when F.K.'s bank draft failed because the information was not correct.

20. F.K. received a packet of documents from IAS, some of which referred to the Advant Benefit Package as "health insurance."

21. The cover letter from IAS begins, "Dear Insured: Congratulations on your purchase of health insurance coverage."

22. Lonny Dorman was president of IAS.

23. Respondent knew or should have known the true character of the products being marketed through United Health and Life, including the package sold to F.K.

24. F.K. submitted claims following emergency hospitalization in November 2009, and as of March 2010, the date of her complaint, she had received no benefits.

25. KID addressed an inquiry to Respondent. Respondent's assistant, Jackie Baliel, replied on behalf of Respondent. The response refers to the discount plan as a "policy," does not name the representative who made the sale, and explains that F.K.'s "policy" was terminated for nonpayment after two failed attempts to draft payment.

26. KID received no response to a second inquiry containing follow-up questions.

27. In response to an inquiry by counsel for KID, Respondent now states he sold F.K. only the "critical illness policy" and "would never place anyone on a discount plan who had health insurance."

28. Even in his response to KID, Respondent represents the Guarantee Trust Life policy as health insurance and refuses to take responsibility for compliance of his agency.

29. Consumer L.A.S. alleged that he purchased health insurance by telephone through a representative of United Health and Life on July 15, 2009, but recognized when the "insurance documents package" arrived that it was not health insurance. He immediately faxed notice of cancellation but had not received a refund as of late September 2009.

30. The consumer requested assistance in obtaining his refund, and KID directed inquiries, first to IAS, and later, on October 27, 2009, to Respondent.

31. On October 29, 2009, KID received a response on IAS letterhead that simply stated that credit had been applied to the consumer's credit card on October 19, 2009.
32. KID replied on November 4 with specific questions, namely, what type of coverage was marketed to the consumer, which agent sold his "policy," and what caused the delay in refunding the payments.
33. On November 24, 2009, a KID consumer assistance attorney wrote to Baliel, who Respondent has identified as his office manager, and requested the information on or before December 1.
34. On December 4, 2009, Baliel responded that she did not know why the consumer was confused and identified the marketing representative and Respondent as the licensed agent whose name appeared on the application.
35. Respondent failed to respond to a KID inquiry about a similar complaint from consumer C.R., who had cancelled his enrollment in late September 2009 and not yet received a refund in late December. United Health and Life was the agency involved, and Respondent was the agent whose name appeared on the insurance application.
36. On October 27, 2009, KID received a complaint from consumer A.L. alleging that A.L. had tried to cancel her "policy" because it did not provide the benefits she had been told it would but "premium" continued to be withdrawn from her bank account.
37. KID staff mailed inquiries about the complaint to Respondent personally and to United Health and Life.
38. Myers responded on behalf of the agency on December 8, 2009, and refunds were processed.

39. Respondent responded by letter dated December 15, 2009, and stated he “only wrote the critical illness plan” and did not identify the marketing representative or address any issues of misrepresentation.
40. On February 23, 2010, KID received a complaint from consumer A.P. regarding misrepresentation of the benefits of dental coverage she purchased from “United Health and Life Insurance Company.”
41. A KID representative sent inquiries to United Health and Life and to Respondent personally.
42. Myers responded on behalf of United Health and Life admitting the consumer had been misinformed but denying it was intentional.
43. Baliel responded on behalf of Respondent, denying that Respondent was the sales agent but not addressing the alleged misrepresentation.
44. Respondent asserts that he has no affiliation with IAS, yet an Oklahoma Department of Insurance Emergency Cease and Desist Order and a Notice and Order of Supervision, in Case Number 19-1015-DIS, filed August 7, 2009, were served on IAS and Insurance Advisors, Inc., at the same address and suite number.
45. According to the Consent Order, Insurance Advisors and United Health and Life marketed products for IAS, and Lonny Dorman owned IAS.
46. United Health and Life was served at the same address as Lonny Dorman and Patty Dorman.
47. Respondent, Baliel, Lonny Dorman, and IAS all have email addresses at “insurehealth.net.”

48. In addition, Baliel, Respondent's "assistant" and "office manager," responded to a KID inquiry on behalf of IAS and Respondent and his agencies.

49. By letter dated November 4, 2010, Respondent stated that, as of November 2009, he is no longer "working with" United Health and Life Corporation. Nevertheless, KID records still show Respondent as affiliated with the agency and the agent responsible for compliance.

Applicable Law

50. To be licensed as an insurance agency, a business entity is required to supply "[t]he name and address of a licensed agent who shall be responsible for the business entity's compliance with the insurance laws of this state and the rules and regulations promulgated thereunder." K.S.A. 40-4905(c)(1).

51. A licensed insurance agency must notify the Commissioner within 30 working days of termination of the relationship with an officer, director, partner or employee of the agency who is an insurance agent. K.S.A. 40-4909(g).

52. K.S.A. 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: (A) Any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder; . . .

(5) Intentionally misrepresented the provisions, terms and conditions of an actual or proposed insurance contract or application for insurance . . .

(7) Admitted to or been found to have committed any insurance unfair trade practice or fraud in violation of K.S.A. 40-2404 and amendments thereto. . . .

(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. . . .

(12) Knowingly accepted insurance business from an individual who is not licensed.” K.S.A. 40-4909(a).

53. The unfair trade practices act prohibits use of the name or title of any insurance policy or class of insurance misrepresenting the true nature thereof, K.S.A. 40-2404(1)(e), and false, deceptive, or misleading statements or advertising about the business of insurance, K.S.A. 40-2404(2).

54. In addition, the Commissioner may revoke any license issued under the Insurance Agents Licensing 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. K.S.A. 40-4909(b).

Conclusions of Law

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

56. The Commissioner finds, based on the facts contained in paragraph 49, that United Health and Life’s license may be revoked pursuant to K.S.A. 40-4909(a)(2)(A) and K.S.A. 40-4909(g) because Respondent terminated his relationship with the agency, and neither he nor the agency reported that change to KID within 30 working days.

57. Based on the facts contained in paragraphs 13, 16, 23, 25, 28, 29, 35, and 40, the Commissioner finds that representatives of United Health and Life repeatedly misrepresented the provisions, terms, and conditions of insurance policies and

represented a discount plan as insurance, in violation of the Unfair Trade Practices Act, specifically K.S.A. 40-2404(1)(e) and 2404(2).

58. When notified of the consumer complaints, Respondent did not take appropriate action to investigate and correct the offending practices of United Health and Life. Accordingly, the licenses of Respondent and United Health and Life may be revoked pursuant to K.S.A. 40-4909(a)(5) and 40-4909(a)(7).

59. In addition, the licenses of Respondent and United Health and Life may be revoked pursuant to K.S.A. 40-4909(a)(8) because those acts constitute fraudulent or dishonest practices in the conduct of business, and Respondent individually has further demonstrated a lack of trustworthiness as the agent responsible for the agency's compliance with the insurance laws and regulations of the state of Kansas.

60. Based on the foregoing findings, the Commissioner concludes that sufficient grounds exist for the revocation of Respondent's insurance agent's license and of the agency license of United Health and Life pursuant to K.S.A. 40-4909(a).

61. Because Respondent is the sole agent responsible for the compliance of both agencies with the insurance law and regulations of Kansas, Respondent's failure to take appropriate action in the case of one agency gives rise to reasonable concern about the compliance of the other agency.

62. Further, Respondent is the owner, responsible agent, and only agent affiliated with Insurance Advisors to do business in Kansas. Thus, Respondent's conduct is indistinguishable from the conduct of the agency, and the agency's license may be revoked on the same grounds as those supporting revocation of Respondent's license.

63. The Commissioner concludes the licenses of all Respondents may be revoked pursuant to K.S.A. 40-4909(b) because the licenses are not properly serving the interests of the insurer and the insurable interests of the public.

64. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this 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 provision of the law, the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Respondents, and after investigation, KID believes in good faith that the allegations will be supported to the applicable standard of proof.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas nonresident insurance agent's licenses of **Christopher S. Dorman, United Health and Life Corporation, and Insurance Advisors, L.L.C.**, are hereby **REVOKED**. It is further ordered, that **Christopher S. Dorman, United Health and Life Corporation, and Insurance Advisors, L.L.C.**, 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 on and after the effective date of this order. **IT IS FURTHER ORDERED** that Respondents shall **CEASE AND DESIST** from marketing any product or service to the insurance buying public with the false representation or implication that it is insurance.

IT IS SO ORDERED THIS 29th DAY OF NOVEMBER 2010, 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

NOTICE OF RIGHTS TO HEARING AND REVIEW

Within fifteen (15) days of the date of service of this Summary Order, Respondent may submit a written request for a hearing pursuant to K.S.A. 77-537 and K.S.A. 77-542. Any request for a hearing should be addressed to the following:

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

If a hearing is requested, the Kansas Insurance Department will serve notice of the time and place of the hearing and information on procedures, right of representation, and other rights of parties relating to the conduct of the hearing.

If a hearing is not requested in the time and manner stated above, this Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing. In the event 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

Certificate of Service

The undersigned hereby certifies that she serviced a true and correct copy of the above and foregoing **Summary Order** and accompanying **Notice of Rights** on this ___29th___ day of November 2010, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

CHRISTOPHER S. DORMAN

PO Box 238
Washington, OK 73093

INSURANCE ADVISORS, INC.

2424 Springer Drive, Suite 104
Norman, OK 73069

UNITED HEALTH AND LIFE CORP.

1209 Orange St.
Corporation Trust Center
Wilmington, DE 19801

_____/s/ Brenda J. Clary_____
Brenda J. Clary
Staff Attorney