

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

In the Matter of the Kansas Nonresident)
Insurance Agent's License of) Docket No. **4196--SO**
JOHNNA KAY THORNLEY)
NPN #9906801)

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 Johnna Kay Thornley ("Respondent") 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 resident agent to transact the business of insurance in Kansas and has been so licensed since November 28, 2007.
2. KID records further indicate Respondent's legal and mailing address is 811 Santa Fe Trail, Canyon, TX 79015-3425.
3. 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.
4. Following investigation, the Commissioner finds evidence sufficient to support the following findings of fact:
5. KID received notice from Nationwide Mutual Insurance Company that Respondent's appointments with its affiliated companies were terminated, effective May 26, 2010, because of a suspected fraudulent act related to her short-term employment disability claim.
6. By letter of June 18, 2010, the acting director of KID's producer licensing division directed Respondent to provide her written explanation of circumstances by July 2, 2010.

7. Respondent did not reply by July 2, 2010, but KID received a response on July 19, 2010.
8. Respondent denied that she had done anything fraudulent and alleged that both the physician and her employer had retaliated after she filed complaints about their misconduct.
9. Documents provided by Nationwide indicate that Respondent submitted two attending provider statements to support her claim for short-term disability based on a diagnosis of panic disorder and anxiety attacks, and her physician denied both that he signed the statements and that he would have found her unable to work.
10. By letter of July 22, 2010, counsel for KID sent Respondent copies of the documents provided by the insurance company and asked for copies of any complaints filed with Texas regulators and related correspondence. The letter invited response within 15 days.
11. To date, Respondent has not replied and the letter has not been returned.

Applicable Law

12. 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 . . .

“(8) Used any fraudulent or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.” K.S.A. 40-4909(a).

13. “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.” K.S.A. 40-4909(b).

14. In lieu of any of the actions authorized by K.S.A. 40-4909(a), the Commissioner may censure the licensee or impose a monetary penalty of up to \$500 per violation or \$1000 per knowing violation. K.S.A. 40-4909(h).

15. A licensee may be assessed a monetary penalty for failure to respond to a proper inquiry from the Commissioner. K.S.A. 40-2,125(b).

16. A fraudulent insurance act includes preparing or presenting, with the intent to defraud, “a claim for payment or other benefit pursuant to an insurance policy . . . which [the claimant] knows to contain materially false information.” K.S.A. 40-2,118(a). A fraudulent insurance act is a criminal offense, the severity level of which depends upon the value involved. K.S.A. 40-2,118(e).

Conclusions of Law

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

18. The Commissioner concludes, based on the facts contained in paragraphs 5 and 7 that Respondent is subject to action against her license and or a monetary penalty pursuant to K.S.A. 40-4909(a)(2)(A) and K.S.A. 40-2,125(b) because Respondent failed to respond in a timely manner to a proper inquiry from the Commissioner’s staff.

19. The Commissioner concludes, based on the facts contained in paragraph 10 that Respondent is subject to action against her license pursuant to K.S.A. 40-4909(a)(2)(A) and K.S.A. 40-2,118 because Respondent has committed a fraudulent insurance act, a crime defined by a provision of chapter 40 of the Kansas Statutes Annotated.

20. The Commissioner concludes, based on the facts contained in paragraph 10 that Respondent is subject to action against her license to K.S.A. 40-4909(a)(8) because Respondent’s actions constitute a fraudulent or dishonest practice. Alternatively, Respondent’s decision-making is impaired, and her business decisions are not trustworthy.

21. The Commissioner concludes that Respondent’s license may be revoked pursuant to K.S.A. 40-4909(b) because it does not serve the interests of the insurer or the insurable interests of the public.

22. 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 Respondent, 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 resident insurance agent's license of **JOHNNA KAY THORNLEY** is hereby **REVOKED**. **It is further ordered**, that **JOHNNA KAY THORNLEY** 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 in Kansas on and after the effective date of this order.

IT IS SO ORDERED THIS __18th__ DAY OF AUGUST 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 served a true and correct copy of the above and foregoing **Summary Order** and accompanying **Notice of Rights** on this ___18th___ day of August 2010, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

JOHNNA KAY THORNLEY
811 Santa Fe Trail
Canyon, TX 79015-3425

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