

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

In the Matter of the Kansas Resident )  
Insurance Agent's License of ) Docket No. **4274--SO**  
**ELIZABETH A. DUGGAN** )  
NPN #6106683 )

**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 take disciplinary action against the resident insurance agent's license of Elizabeth A. Duggan ("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 May 4, 1999.
2. KID records further indicate that Respondent's legal and mailing address is 1429 E. Sheridan St., Olathe, KS 66062-2127.
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 Respondent.
4. Following investigation and review of an insurance company investigation, the Commissioner finds evidence sufficient to support the following facts:
5. On September 9, 2010, Respondent's adult nephew was involved in a minor motor vehicle accident while driving a vehicle titled in his name only.

6. Respondent's nephew resided with Respondent, and registration of the vehicle showed Respondent's address.
7. Respondent's nephew had allowed his automobile liability coverage to lapse.
8. Minutes after the accident, Respondent submitted a change adding her nephew as a driver and her nephew's vehicle to her existing Progressive automobile policy effective September 8, 2010.
9. Respondent contends she had agreed the evening before to add her nephew and his vehicle but had not yet submitted the change when he nephew called to tell her about the accident and obtain the policy number.
10. Following investigation, Progressive denied the claim.

#### **Applicable Law**

11. 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. . . (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. . . .” K.S.A. 40-4909(a).
12. “In lieu of taking any action under subsection (a), the commissioner may:
  - (1) Censure the person; or
  - (2) Issue an order imposing an administrative penalty up to a maximum of \$500 for each violation but not to exceed \$2,500 for the same violation occurring within any six consecutive calendar months from the date of the original violation unless such person knew or should have known that the violative act could give rise to disciplinary action under subsection (a). If such person knew or reasonably should have known the violative act could give rise to any disciplinary proceeding authorized by subsection (a), the commissioner may impose a penalty up to a maximum of \$1,000 for each violation but not to exceed \$5,000 for the same violation occurring within any six consecutive calendar months from the date of the imposition of the original administrative penalty.” K.S.A. 40-4909(h).

13. 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**

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

15. The Commissioner finds, based on the findings of fact, that Respondent has either used a fraudulent or dishonest practice or she has demonstrated a lack of competence and trustworthiness in the conduct of business.

16. Based on the foregoing finding, the Commissioner concludes that sufficient grounds exist for the revocation of Respondent's insurance agent's license pursuant to K.S.A. 2009 Supp. 40-4909(a).

17. The Commissioner further concludes Respondent knew or should have known that her act would subject her to disciplinary action under K.S.A. 40-4909(a).

18. 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**

- 1. Elizabeth A. Duggan shall pay an administrative penalty of \$1000**, which is due and owing immediately upon the effective date of this order, and
- 2. Elizabeth A. Duggan shall complete an additional three (3) credit hours of continuing education in ethics within ninety (90) days** of the effective date of this order. The continuing education hours must be obtained through courses approved by the Commissioner and shall not count toward the hours required for Respondent's next license renewal. Proof of completion must be submitted to the **Legal Division** of the Kansas Insurance Department on or before the 90<sup>th</sup> day after the effective date of this order.
- 3. It is further ordered**, that **if** the penalty and proof of the continuing education have not been submitted by the 91<sup>st</sup> day after the effective date of this order, the Kansas resident insurance agent's license of **Elizabeth A. Duggan** shall be **suspended without further notice** until the requirements are satisfied. In the event of such suspension, Elizabeth A Duggan shall promptly report the suspension to any company with which she holds an appointment and any agency with which she is affiliated and 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 date of suspension unless and until the license is reinstated by further action of the Commissioner.

IT IS SO ORDERED THIS 18<sup>th</sup> DAY OF FEBRUARY 2011, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



\_\_\_/s/ Sandy Praeger\_\_\_\_\_  
Sandy Praeger  
Commissioner of Insurance

BY:

\_\_\_/s/ Zachary J.C. Anshutz\_\_\_\_\_  
Zachary J.C. Anshutz  
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:

Zachary J.C. Anshutz, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> 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

Zachary J.C. Anshutz, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> 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 February 2011 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Elizabeth A. Duggan  
1429 E. Sheridan  
Olathe, KS 66062-2127

\_\_\_/s/ Brenda J. Clary\_\_\_\_\_

Brenda J. Clary  
Staff Attorney