

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

In the Matter of the Kansas Nonresident)
Insurance Agent’s License of)
CASSANDRA WATSON,) Docket No. **4776--SO**
NPN 17430941.)

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 Respondent CASSANDRA WATSON (“Respondent”) by way of Summary Order as provided by K.S.A. 77-537.

Findings of Fact

1. 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.
2. Following investigation, the Commissioner finds evidence sufficient to support the following facts:
3. Respondent was licensed as a Kansas nonresident insurance agent on November 24, 2014, and has been continuously so licensed to date.
4. Respondent’s legal address is in Indianapolis, Indiana, and her mailing address of record is 6646 Ahern Court, Indianapolis, IN 46268.
5. Respondent was appointed as an agent of Golden Rule Insurance Company (“Golden Rule”) from December 10, 2014, until May 14, 2015.
6. Golden Rule reported to the Kansas Insurance Department (“KID”) that Respondent had taken credit or debit card payment information from consumers to pay premium but substituted fictitious bank account routing and account numbers on dental insurance applications.
7. According to Golden Rule’s report, Respondent stated she used the fictitious information when the customer was uncomfortable with giving bank account information.
8. The recorded sales calls reflect that the customer elected to pay premium by credit or debit card and gave credit or debit card numbers to Respondent.
9. Respondent used the same fictitious routing and account number on 17 dental insurance applications beginning on December 22, 2014.

10. By letter of August 13, 2015, addressed to Respondent at her address of record, counsel for KID invited Respondent to reply by August 28, 2015, if she disputed the above statements of fact.

11. To date, Respondent has not replied, and the letter has not been returned; thus, the facts are deemed undisputed.

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: . . .

(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..” K.S.A. 2014 Supp. 40-4909(a).

13. “Making false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money or other benefit from any insurer, agent, broker or individual” is an insurance unfair trade practice. K.S.A. 2014 Supp. 40-2404(11).

14. 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. 2014 Supp. 40-4909(b).

15. A person whose license has been revoked or suspended may not be employed directly or indirectly by an insurance company and “may not perform any act toward the solicitation of or transaction of” insurance business in Kansas. K.S.A. 2014 Supp. 40-4909(g).

16. “Any action taken under this section which affects any license or imposes any administrative penalty shall be taken only after notice and an opportunity for hearing conducted in accordance with the provisions of the Kansas administrative procedures act.” K.S.A. 2014 Supp. 40-4909(c).

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 finds that action may be taken against Respondent’s license pursuant to K.S.A. 40-4909(a)(7) because Respondent has made false or fraudulent statements or representations on or relative to an application for an insurance policy, for

the purpose of obtaining a benefit, which is an insurance unfair trade practice as defined by K.S.A. 40-2404(11).

19. The Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(8) because Respondent either used a fraudulent and dishonest practice or, if Respondent's explanation is true, demonstrated incompetence in using fictitious payment information on insurance applications.

20. Finally, the Commissioner concludes that Respondent's license may be revoked pursuant to K.S.A. 40-4909(b) because it is not serving the interests of insurers or the insurable interests of the public.

21. 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.

Policy to be Served

Before issuing an insurance agent license, the Commissioner must determine that the applicant is qualified and has not committed any act that would be grounds for denial, suspension, or revocation. K.S.A. 40-4905(b) and K.S.A. 40-4906. Further, 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 the license. K.S.A. 40-4909(b). Thus, the Commissioner is charged with licensing, or continuing to license, persons or entities to sell, solicit, or negotiate insurance in the State of Kansas only if their conduct indicates they are both qualified and trustworthy. The following action is appropriate to promote the security and integrity of the insurance business and protect insurance consumers.

THE COMMISSIONER OF INSURANCE THEREFORE ORDERS that the Kansas nonresident insurance agent's license of **CASSANDRA WATSON** is hereby **REVOKED**, and **CASSANDRA WATSON** shall **CEASE and DESIST** from the sale, solicitation, or negotiation of insurance, doing any act toward the sale, solicitation, or negotiation of insurance, and/or receiving compensation deriving from the sale, solicitation, or negotiation of insurance in Kansas or on Kansas risks through business conducted on and after the effective date of this order

IT IS SO ORDERED THIS 1st DAY OF SEPTEMBER 2015, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



 /s/ Ken Selzer
Ken Selzer, CPA
Commissioner of Insurance

BY:

 /s/ Diane Minear
Diane Minear
Interim 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:

Diane Minear, Interim 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

Diane Minear, Interim 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 1st day of September 2015 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Casandra Watson
6646 Ahern Ct.
Indianapolis, IN 46268

_s/ Brenda J. Clary _____
Brenda J. Clary
Staff Attorney