DEFORE THE COMMISSIONER OF INSURANCE OF THE STATE OF KANSAS

In the Matter of the Kansas Resident)	
Insurance Agent's License of)	
KALEE S. LOGAN,)	Docket No. 4931SO
NPN 17270840.)	

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 resident insurance agent's license of **KALEE S. LOGAN** ("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 granted a Kansas resident insurance agent license on November 3, 2014, and has been continuously so licensed to date.
- 4. Respondent is a resident of Pretty Prairie, Kansas.
- 5. Respondent's residential and mailing address of record is 8210 Sun City Road, Pretty Prairie, Kansas 67570-8826.
- 6. Respondent was appointed as an agent for Allstate Group until her appointments were terminated for cause on or about May 6, 2016.
- 7. According to Allstate's report and a statement Respondent submitted to KID, Respondent created policies for nonexistent persons in order to increase the volume of policies Respondent was writing.
- 8. Respondent stated that she created the fictitious policies because she sought "job security."
- 9. By letter of October 19, 2016, counsel for KID invited Respondent to reply in writing by November 2 if she disputed the statements of fact set out above.
- 10. To date, Respondent has not replied; thus, the reported facts are deemed undisputed.

Applicable Law

- (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. 2015 Supp. 40-4909(a).
- "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 in violation of K.S.A. 40-2404(11).
- 11. "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. 2015 Supp. 40-4909(c).
- 12. 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. 2015 Supp. 40-4909(g).

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 license may be revoked pursuant to K.S.A. 40-4909(a)(8) because Respondent engaged in dishonest conduct and demonstrated incompetence and a lack of trustworthiness by creating bogus policies for fictional persons.
- 15. The Commissioner further finds that Respondent's license may be revoked pursuant to K.S.A. 40-2404(11) because Respondent falsely represented on insurance applications that fictional applicants desired insurance and provided the information on the application, and the circumstances demonstrate that Respondent did so in order to attain job security.
- 16. 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.
- 17. 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 resident insurance agent's license of KALEE S. LOGAN is hereby REVOKED, and KALEE S. LOGAN 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 9% DAY OF NOVEMBER 2016, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer, CPA Commissioner of Insurance

BY:

John Wine

Assistant Commissioner

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, 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, 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 <u>Summary Order</u> and accompanying <u>Notice of Rights</u> on this day of November 2016 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Kalee S. Logan 8210 W Sun City Rd. Pretty Prairie, KS 67570-8826

Sherri Kelly