

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

In the Matter of the Kansas Resident)	
Insurance Producer's License of)	
JEFFREY UNDERHILL)	Docket No. 103357
NPN # 16157474)	

SUMMARY ORDER OF REVOCATION

(Pursuant to K.S.A. 40-4905, K.S.A. 40-4909, and K.S.A. 77-501 *et seq.*)

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4905, K.S.A. 40-4909, and K.S.A. 77-501 *et seq.*, the Commissioner hereby **REVOKES** the Kansas resident insurance producer's license of **JEFFREY UNDERHILL** ("Respondent"). This Summary Order of Revocation shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for a hearing is made.

Findings of Fact

1. Respondent was licensed as a Kansas resident insurance producer February 24, 2011, and expires September 30, 2024.
2. Respondent's address of record is [REDACTED].
3. On or about July 10, 2023, the Kansas Insurance Department ("Department") received a complaint from T.G., a consumer, regarding issues with a commercial insurance policy (and subsequent claim) which the Respondent wrote for T.G. through a broker in March of 2022 for coverage of four buildings. T.G. paid a premium of \$4,800 for one year of policy coverage.
4. In September of 2022, after discovering that one of the covered buildings had a water line leak, T.G. contacted the Respondent regarding the matter. Respondent advised him to send him photos and a repair estimate and Respondent would submit a claim on his behalf. T.G.

did mention that the damage to the water line may have been caused by a rodent to Respondent. Respondent instructed him not to include that information for the claim. After not hearing back on the claim for a few weeks, T.G. reached back out to Respondent who advised him that the damage would not be covered and the claim was denied.

5. In April 2023, T.G.'s bank, the lienholder on the covered properties, contacted him and advised him that the policies were due to expire that month¹. T.G. reached out to the Respondent who advised he had coverage until August of 2023. T.G. advised the bank of what Respondent instructed him and directed the bank to the Respondent for further inquiries.

6. After further concerns about Respondent's failure to communicate and the bank's insistence on the policy expiration, T.G. sought out another insurance agent and insurance coverage for these properties, he discovered his policy obtained through the Respondent was cancelled in July of 2022 due to underwriting issues. After discovering the cancellation of the policy in the middle of its term, T.G. contacted Respondent to discuss the policy and inquire about a refund of the premium previously paid on the policy².

7. T.G. never directly received any correspondence regarding the cancellation of the policy, the denial of the claim and any information regarding a partial premium payment. The agency who previously employed the Respondent did eventually return the refund to T.G.

8. The Department's investigation revealed that a partial refund had been sent to the Respondent, and made out to him directly, from the broker in September of 2022. At no time, did the Respondent forward that refund to T.G. or instruct his agency to do so or instruct his agency the purpose of the refund.

¹ The policy was due to expire March 2023, not April.

² It does not appear from the Department's investigation that the Respondent ever followed up with T.G.'s concerns after T.G. had reached out to him.

9. Subsequent investigation revealed no claim was ever submitted by the Respondent on behalf of T.G. and that the policy for T.G. was, in fact, canceled on July 31, 2022, for underwriting issues.

10. The company which issued the policy had reached out to the Respondent five times regarding underwriting issues and the Respondent failed to respond to the company's inquiries. On or about August 5, 2022, after receiving no response from Respondent, the company notified the Respondent of the policy's cancellation and that the refund would be sent to his agency.

11. At the time of the policy's cancellation, Respondent was employed with the agency to which the refund was sent. Respondent did not leave this agency until August 17, 2023.

12. In statements to the Department by Respondent, the Respondent admitted that he failed to respond to the insurance company's inquiries for the additional information for the underwriting. In a written statement sent to the Department in response to the consumer complaint, Respondent stated that he did not become aware of the policy's cancellation until September of 2022, despite the company's notification in August of 2022. During an interview with Department's investigator, Special Agent Randy Myles, Respondent stated he assumed T.G. took his business elsewhere. Respondent stated he instructed T.G. that the claim would not be covered if the damage was due to a rodent. Respondent stated that he parted ways with his agency due to a lack of commitment to his clients. He admitted to writing the commercial policy with a broker firm for T.G.'s insurance coverage. The policy was written through a surplus lines company and the coverage period was to be from March 2022 through March 2023³. When interviewed by Special Agent Myles, Respondent stated he was aware of the policy's cancellation in August of 2022

³ Respondent does not hold a surplus lines license issued by the Department. While it appears that the brokerage firm that Respondent used for the issuance of this policy does have an individual named as their designated licensed responsible producer who holds a Kansas surplus lines license, no licensed surplus lines agent signed the policy issued.

contrary to the written statement referenced above. Respondent admitted that he instructed T.G. not to reference the line had been possibly damaged by a rodent in his claim information. Respondent admitted that he “screwed up” as he dropped the ball and placed his responsibilities as an insurance agent on the back burner. Respondent could not recall if he had submitted any claim on T.G.’s behalf nor advised him that the policy had been cancelled.

13. The Department sent an inquiry to Respondent on July 12, 2023, requesting a response to T.G.’s complaint. The Respondent did not submit a response to the Department until August 9, 2023.

14. Throughout the investigation and enforcement phases of this case, the Department has reached out to the Respondent for information and responses to inquiries, including most recently on January 24, 2024. Respondent did not respond to this inquiry until the Department followed up on this communication on February 13, 2024.

Applicable Law

K.S.A. 40-4909(a)(2) provides:

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 violated any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rules and regulations promulgated thereunder;

K.S.A. 40-2404(a)(9) provides:

It is an unfair claim settlement practice if any of the following or any rules and regulations pertaining thereto are either committed flagrantly and in conscious disregard of such provisions, or committed with such frequency as to indicate a general business practice: (a) Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue; (b) failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies; (c) failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies; (d) refusing to pay claims without conducting a reasonable investigation based upon all available information; (e) failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed; (f) not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;

(g) compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds; (h) attempting to settle a claim for less than the amount to which a reasonable person would have believed that such person was entitled by reference to written or printed advertising material accompanying or made part of an application; (i) attempting to settle claims on the basis of an application that was altered without notice to, or knowledge or consent of the insured; (j) making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made; (k) making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration; (l) delaying the investigation or payment of claims by requiring an insured, claimant or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information; (m) failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage; or (n) failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

K.S.A. 40-4909(a)(4) provides:

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 improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business.

K.S.A. 40-4909(a)(8) provides:

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 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)(17) provides:

The Commissioner may deny, suspend, revoke or refuse renewal of an insurance producer's license upon finding that an applicant or license holder failed to respond to an inquiry from the commissioner within 15 business days.

K.S.A. 40-4909(b) provides:

The Commissioner may deny, 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.

Policy Reasons

1. It is in the public interest that the license of a producer who engages in unfair claim settlement practices be revoked.
2. It is in the public interest that the license of a producer who improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business be revoked.
3. It is in the public interest that the license of a producer who has used fraudulent, coercive or dishonest practices or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere be revoked.
4. It is in the public interest that the license of a producer who has failed to respond to a Department's inquiry within 15 business days be revoked.
5. The insurable interests of the public are not properly served under such license and the license of the producer be revoked.

Conclusions of Law

1. The Commissioner has jurisdiction over **JEFFREY UNDERHILL** as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
2. Pursuant to K.S.A. 40-4909(a)(2) and K.S.A. 40-2404(a)(9), the Commissioner finds that Respondent's resident insurance producer's license may be revoked because **JEFFREY UNDERHILL** has been violated the Kansas Statutes Annotated by engaging in unfair claims settlement practices regarding an insurance claim.
3. Pursuant to K.S.A. 40-4909(a)(4), the Commissioner finds that Respondent's resident insurance producer's license may be revoked because **JEFFREY UNDERHILL**

improperly withheld, misappropriated or converted moneys received in the course of doing insurance business.

4. Pursuant to K.S.A. 40-4909(a)(8), the Commissioner finds that Respondent's resident insurance producer's license may be revoked because **JEFFREY UNDERHILL** has used fraudulent, coercive or dishonest practices or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

5. Pursuant to K.S.A. 40-4909(a)(17), the Commissioner finds that the Respondent's resident insurance producer's license may be revoked because **JEFFREY UNDERHILL** failed to respond to an inquiry of the Commissioner within 15 business days.

6. Pursuant to K.S.A. 40-4909(b), the Commissioner finds that the insurable interests of the public are no longer properly served under the resident insurance producer's license of **JEFFREY UNDERHILL**.

7. Pursuant to K.S.A. 40-4909(a) and (b), the Commissioner concludes that sufficient grounds exist for revocation of the resident insurance producer's license of **JEFFREY UNDERHILL**.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The Kansas resident insurance producer's license of **JEFFREY UNDERHILL** is hereby **REVOKED** the effective date of this Order.

2. **IT IS FURTHER ORDERED** that **JEFFREY UNDERHILL** 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 after the effective date of this Order.

IT IS SO ORDERED THIS 14th DAY OF FEBRUARY 2024, IN THE CITY OF
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



VICKI SCHMIDT
COMMISSIONER OF INSURANCE

BY: 
Kimberley Davenport Megrail
Senior Attorney

NOTICE AND OPPORTUNITY FOR HEARING

JEFFREY UNDERHILL, within fifteen (15) days of service of this Summary Order, you may file with the Kansas Insurance Department a written request for hearing on this Summary Order, as provided by K.S.A. 77-542. The attached form has been provided for this purpose. In the event a hearing is requested, such request should be directed to:

Mindy Forrer
Kansas Insurance Department
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Or via email: mindy.forrer@ks.gov

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the producer/agency who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day (with an additional three (3) days for service) period for requesting a hearing. The Final Order will constitute final agency action on the matter.

In the event the Respondent files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the Kansas Insurance Department is:

Justin L. McFarland, General Counsel
Kansas Insurance Department
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Pursuant to K.S.A. 77-607 and 77-612, exhaustion of administrative remedies is a jurisdictional prerequisite to seeking judicial review.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the above-and-foregoing Summary Order of Revocation on this 14th day of February 2024, by causing the same to be deposited in the United States Mail, certified, addressed to the following:

Jeffrey Underhill

[REDACTED]

Respondent

And via email to:

[REDACTED]



Kimberley Davenport Megrail
Senior Attorney