#### BEFORE THE COMMISSIONER OF INSURANCE OF THE STATE OF KANSAS

In the Matter of Wells Fargo Insurance)Services of Ohio, LLC)

Docket No. 3748–SO

#### **SUMMARY ORDER**

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2006 Supp. 40-4909, the Commissioner hereby imposes sanctions against the license of Kansas nonresident insurance agency Wells Fargo Insurance Services of Ohio, LLC. ("Wells Fargo") by way of Summary Order as provided by K.S.A. 77-537. This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

#### **Findings of Fact**

The Commissioner has been shown the following facts:

- Records maintained by the Kansas Insurance Department ("KID") indicate Wells Fargo is licensed as a nonresident insurance agency to transact the business of insurance in the State of Kansas and has been so licensed since 8/16/2004.
- KID records reflect a legal address of 580 N. 4<sup>th</sup> Ste. 400, Columbus, Ohio 43215, and a mailing address of 1301 E. 9<sup>th</sup> St. Ste. 3800, Cleveland, Ohio 44114 for Wells Fargo and reflect that James Convertino is the Designated Person.
- 3. KID records reflect on or about July 19, 2007, KID received notification from Wells Fargo of a fine assessed by the State of New York Insurance Department for failure to notify New York of administrative actions in the year 2005 and 2006 within 30 days of their final disposition in violation of N.Y. Ins. Law § 2110(i) (2003).

- Documentation from the New York Insurance Department indicates Wells Fargo received the following fines:
  - a. A \$500 fine in June 2005 by the New Jersey Department of Insurance.
  - b. A \$2,000 fine in September 2005 by the Pennsylvania Department of Insurance.
  - c. A \$200 fine in November 2005 by the Delaware Department of Insurance.
  - d. A \$500 fine in August 2006 by the Massachusetts Department of Insurance.
- 5. Wells Fargo failed to report the above fine amounts to KID. KID became aware of the fines imposed by the states through a July 9, 2007 letter from the New York Insurance Department to Wells Fargo which was provided with Wells Fargo's July 19, 2007 letter notifying KID of the New York Insurance Department fine.

# Applicable Law

- K.S.A. 40-4909 states, in pertinent part:
  - (a) 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;
      - (C) any insurance law or regulation of another state;
  - (h) In lieu of taking any action under subsection (a), the commissioner may:
    - (2) issue an order imposing an administrative penalty up to a maximum of \$500 for each violation...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...

K.S.A. 40-2,125 states, in pertinent part:

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of

any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation.

## **Conclusions of Law**

Based upon the Findings of Fact enumerated in Paragraph #1 through #5 and the Applicable Law above, the Commissioner concludes:

# IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE

THAT Kansas nonresident insurance agency Wells Fargo Insurance Services of Ohio, LLC. Is

hereby ordered to pay a monetary penalty in the amount of ONE THOUSAND DOLLARS AND

00/100 (\$1,000.00) for the above-stated violation of K.S.A. 2006 Supp. 40-4909(a)(2)(C) on or

before the effective date of this Order.

## <u>Notice of Rights</u> (Pursuant to K.S.A. 77-542)

Wells Fargo Insurance Services of Ohio, LLC ("Wells Fargo") is entitled to a hearing pursuant to

K.S.A. 77-537 and K.S.A. 77-542, the Kansas Administrative Procedure Act. If Wells Fargo

desires a hearing, the agency must file a written request for a hearing with:

John W. Campbell, General Counsel Kansas Insurance Department 420 S.W. 9<sup>th</sup> Street Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order. If Wells Fargo requests a hearing, the Kansas Insurance Department will notify Wells Fargo of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of the same.

If a hearing is not requested in the time and manner stated above, this Order shall become

effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to

K.S.A. 77-613. In the event Wells Fargo 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. 9<sup>th</sup> Street Topeka, Kansas 66612

# IT IS SO ORDERED THIS \_22nd\_ DAY OF OCTOBER, 2007 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

#### **Certificate of Service**

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing Summary Order and Notice of Rights on this  $22^{nd}$  day of October, 2007, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Ms. Kay Keck Wells Fargo Insurance Services of Ohio, LLC The Galleria and Tower at Erieview 1301 East Ninth Street Suite 3800 Cleveland, OH 44114-1824

And

Mr. James Convertino Wells Fargo Insurance Services of Ohio, LLC 1301 East Ninth Street Suite 3800 Cleveland, OH 44114

> \_/s/ Zachary J.C. Anshutz\_\_\_\_ Zachary J.C. Anshutz Staff Attorney Kansas Insurance Department