

**BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA**

**FILED**

**MAY 07 2013**

**INSURANCE COMMISSIONER  
OKLAHOMA**

**STATE OF OKLAHOMA, ex rel. JOHN D.  
DOAK, Insurance Commissioner,**

**Petitioner,**

**v.**

**Case No. 13-0462-DIS**

**NATHAN D. SULLIVAN, JR.  
a licensed nonresident insurance producer,**

**Respondent.**

**ORDER OF REVOCATION**

**COMES NOW** the State of Oklahoma, ex rel. John Doak, Insurance Commissioner, by and through his undersigned counsel and alleges and states as follows:

**JURISDICTION**

1. John Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Respondent is licensed by the State of Oklahoma as a nonresident insurance producer holding license number 73865. His address of record is 2054 Quail Hollow, Derby, Kansas, 67037.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

### **FINDINGS OF FACT**

1. Respondent is licensed by the State of Oklahoma as a nonresident insurance producer holding license number 73865. Respondent's address of record is 2054 Quail Hollow, Derby, Kansas, 67037.

2. The Oklahoma Insurance Department was notified that Respondent's resident producer license was revoked in the State of Kansas on April 8, 2013 for submitting applications for dental, vision and hearing insurance that contained fictitious or inaccurate information, falsified electronic signatures and misappropriated funds through unauthorized electronic transfers (Exhibit "A").

3. A background check by the Oklahoma Insurance Department reflected that Respondent was also licensed as a nonresident Oklahoma producer. A nonresident producer in Oklahoma is required to be licensed in good standing in the producer's resident state.

### **CONCLUSIONS OF LAW**

1. Respondent violated 36 O.S. § 1435.9(A)(1) and 36 O.S. § 1435.13(A)(2), in failing to be currently licensed in good standing in his resident state of Kansas;

2. Respondent violated 36 O.S. §§ 1435.13(A)(2) and (9) in having his insurance producer license revoked in his resident state of Kansas for violation of Kansas insurance laws.

**ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner, that the Respondent violated 36 O.S. §§ 1435.13(A)(2) and (9) and Respondent's nonresident Oklahoma license is hereby **REVOKED**.

**WITNESS** My Hand and Official Seal this 7<sup>th</sup> day of May, 2013.



A handwritten signature in black ink, appearing to read "Paul Wilkening".

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PAUL WILKENING  
FIRST DEPUTY COMMISSIONER  
STATE OF OKLAHOMA

**CERTIFICATE OF MAILING**

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Order of Revocation was mailed by certified mail with postage prepaid and return receipt requested on this 7<sup>th</sup> day of May, 2013 to:

Nathan D. Sullivan, Jr.  
2054 E. Quail Hollow  
Derby, KS 66037

**CERTIFIED MAIL NO: 7001 0320 0003 9966 6466**

and a copy was mailed to all appointing insurers/RIRS

and a copy was delivered to:

Courtney Phipps  
Licensing Division

  
\_\_\_\_\_  
JULIE MEADERS  
ASSISTANT GENERAL COUNSEL

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE



Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)

Nathan D. Sullivan, Jr.  
2054 E. Quail Hollow  
Derby, KS 66037

13-0462-DIS/JAM(mt)Ord.of Rev.

Total Postage & Fees

Sent To

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, January 2001

9966 9966 0000 0200 1000



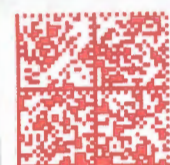
**JOHN D. DOAK**  
**Insurance Commissioner**  
Oklahoma Insurance Department  
5 Corporate Plaza  
3625 N.W. 56th St., Ste. #100  
Oklahoma City, OK 73112-4511

RECEIVED  
OKLAHOMA INSURANCE DEPARTMENT  
JUN 07 2013  
Legal Division

CERTIFIED MAIL



2001 0320 0003 9966 6466



U.S. POSTAGE PTT/KEY BOWES  
ZIP 73112 \$ 006.31<sup>0</sup>  
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0001363374 MAY. 07 2013

Nathan D. Sullivan, Jr.  
2054 E. Quail Hollow  
Derby, KS ~~66037~~

R.Y.  
5-9-13  
1st NOTICE KND  
2nd NOTICE 5-17

NIXIE 672 SC 1 0606/03/13

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

BC: 73112451125 \*0657-05905-07-37

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CERTIFIED MAIL RECEIPT  
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Nathan D. Sullivan, Jr.  
2054 E. Quail Hollow  
Derby, KS 66037

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PS Form 3800, January 2001

9969 9966 E000 02E0 T002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

RECEIVED  
OKLAHOMA INSURANCE DEPARTMENT

Nathan D. Sullivan, Jr.  
2054 E. Quail Hollow  
Derby, KS 66037

JUN 07 2013

Legal Division

13-0462-DIS/JAM(mt)Ord.of Rev.

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7001 0320 0003 9966 6466

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

# FINAL ORDER

EFFECTIVE: 4-8-13

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

In the Matter of )  
The Kansas Resident )  
Insurance Agent's License of )  
**NATHAN D. SULLIVAN, JR.** )  
NPN 7318484. )

Docket No.: 4569-SO

### SUMMARY ORDER

(Pursuant to K.S.A. 40-4909 and K.S.A. 77-537)

Pursuant to the 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 Respondent Nathan D. Sullivan, Jr. ("Respondent") based on the following Findings of Fact, Conclusions of Law, and Policy Reasons.

### 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. 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 continuously licensed in Kansas, either as a nonresident or resident, since February 6, 2004.
4. KID records reflect that Respondent's legal and mailing address is 2054 E. Quail Hollow, Derby, KS 67037-9741.
5. From July 2011 to March 12, 2013, Respondent was an appointed agent of Medico Insurance Company ("Medico").
6. Based on documentary evidence and reports from Medico, the Commissioner believes clear and convincing evidence exists to prove Respondent submitted multiple





applications for dental, vision, and hearing insurance that contained fictitious or inaccurate information and/or falsified electronic signatures.

7. Moreover, between October 1, 2012, and the date of termination, two of the questioned applications Respondent submitted purported to be the applications of individuals who were deceased long before the date of the application.

8. From August 15, 2011, until February 13, 2013, Respondent was an appointed agent of Heartland National Life Insurance Company ("Heartland").

9. Based on documentary evidence and reports from Heartland, the Commissioner believes clear and convincing evidence exists to prove Respondent forged the signatures of E.K., D.H., and J.G. on Medicare Supplement, hospital indemnity, and/or cancer policy applications and made unauthorized transfers of funds from E.K.'s and J.G.'s accounts to pay premium.

10. J.G. died in July 2012, and his policy application was dated January 2, 2013.

11. Respondent stated to a KID investigator that he was using an old contact list to locate consumers but stated he met or spoke by telephone with each; he could not explain the applications on behalf of deceased consumers.

#### **Applicable Law**

12. A person may not sell, solicit or negotiate any insurance within this state without a license issued in accordance with the Uniform Insurance Agents Licensing Act, K.S.A. 40-4901 *et seq.* K.S.A. 2011 Supp. 40-4905(a).

13. 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. . .

(4) Improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business. . . .

(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. . . . [or]

(10) Forged another person's name to an application for insurance or to any document related to an insurance transaction. . . ." K.S.A. 2011 Supp. 40-4909(a).



14. "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 or fraud as defined by K.S.A. 2011 Supp. 40-2404(11).

15. In addition, the Commissioner may suspend, revoke, or refuse renewal of any license issued under the 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).

16. Any action that affects a license or imposes a penalty may be taken only after notice and an opportunity for hearing in accordance with the Kansas Administrative Procedures Act (KAPA) [K.S.A. 77-513 *et seq.*]. K.S.A. 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 facts summarized in paragraphs 6, 7, and 9-11, above, indicate that Respondent has misappropriated funds through unauthorized electronic transfers, misrepresented facts and forged signatures on insurance policy applications and, at best, has engaged in fraudulent, coercive, or dishonest practices or demonstrated incompetence and a lack of trustworthiness.

19. Respondent's conduct is grounds for action against Respondent's license, up to and including revocation, pursuant to K.S.A. 40-4909(a)(4), (a)(7), (a)(8), and (a)(10).

20. Further, based on those findings, the Commissioner may suspend or revoke Respondent's license pursuant to K.S.A. 40-4909(b) because the license does not properly serve the interests of the insurer or the insurable interests of the public.

#### **Policy Reasons**

21. 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). 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. The following action is appropriate to

promote the security and integrity of the insurance business and protect insurance consumers by 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.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agent's license of Nathan D. Sullivan is hereby REVOKED. Nathan D. Sullivan shall CEASE AND DESIST from the sale, solicitation, or negotiation of insurance in Kansas, 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 further ordered, pursuant to KSA 77-415(b)(2)(A), that this order is designated by KID as precedent.**

**IT IS SO ORDERED THIS 20th DAY OF MARCH 2013, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



/s/ Sandy Praeger  
Sandy Praeger  
Commissioner of Insurance

BY:

/s/ John Wine  
John Wine  
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:

John Wine, 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

John Wine, 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 20<sup>th</sup> day of March 2013 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Nathan D. Sullivan, Jr.  
2054 E. Quail Hollow  
Derby, KS 67037-9741

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