

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

In the Matter of IVAN D. THOMPSON)
d/b/a THOMPSON SURETY COMPANY) Docket No. 2929-SO
and VIKING BAIL BONDS)

ORDER TO CEASE AND DESIST

Pursuant to the authority granted the Commissioner of Insurance by K.S.A. 77-536, K.S.A. 40-2,125 and K.S.A. 40-2701, et seq., Kathleen Sebelius, the duly elected, qualified and acting Commissioner of Insurance of the State of Kansas, hereby makes findings of fact, conclusions of law, states policy reasons and orders as follows:

Findings of Fact

1. Ivan D. Thompson is a Kansas resident and may be served by serving the Secretary of State of the State of Kansas, pursuant to K.S.A. 40-2704, at Memorial Hall, First Floor, 120 SW Tenth Avenue, Topeka, Shawnee County, Kansas, 66612-1594, and/or at 2400 NE Happy Hollow Road, Topeka, Shawnee County, Kansas, 66617.

2. Ivan D. Thompson does surety insurance business as Thompson Surety Company, [hereafter "Company"], which operates in the state of Kansas as an unincorporated business entity and said Company may be served by serving the Secretary of State of the State of Kansas, pursuant to K.S.A. 40-2704, at Memorial Hall, First Floor, 120 SW Tenth Avenue, Topeka, Shawnee County, Kansas, 66612-1594, and/or Ivan D. Thompson at 2400 NE Happy Hollow Road, Topeka, Shawnee County, Kansas, 66617.

3. Viking Bail Bonds, [hereafter "Viking"], is an unincorporated business entity having its office at 114 SE Eighth Street, Topeka, Shawnee County, Kansas, 66603, and Viking

can be served by serving the Secretary of State of the State of Kansas, pursuant to K.S.A. 40-2704, at Memorial Hall, First Floor, 120 SW Tenth Avenue, Topeka, Shawnee County, Kansas, 66612-1594, and/or by serving Loren Thormodsgard, 114 SE Eighth Avenue, Topeka, Kansas, 66603.

4. Ivan D. Thompson has submitted to the District Court of Riley County, Kansas, his Personal Financial Statement attesting to his net worth; and a copy of that Personal Financial Statement is attached hereto and incorporated herein as Exhibit A.

5. Ivan D. Thompson, issued his Limited Power of Attorney making, constituting and appointing Kirk Burhans, Loren Thormodsgard, M. Charlene Thormodsgard, Ed DeLozier and Gary Patterson, d/b/a Viking Bail Bonds, each individually, as his attorneys in fact to execute, deliver and affix their respective individual signatures on bail bonds up to and including \$100,000 in Riley County, Kansas, which Limited Power of Attorney is attached hereto and incorporated herein as Exhibit B.

6. Thompson Surety Company issued Power of Attorney No. 01070 to "C. Kirk Burhans by Viking Bail Bonds" on August 2, 2000 [See Exhibit C] and Viking, as surety, issued its bail bond in the amount of \$1,000 to the Riley County District Court signed by Burhans guaranteeing the appearance of Kevin D. Johnson, Defendant in Case No. 99TR1721 [See Exhibit D]; and copies of that Power of Attorney and Surety Bond are attached hereto and incorporated herein as Exhibit C and D respectively.

7. Thompson Surety Company issued Power of Attorney No. 01076 to "C. Kirk Burhans by Viking Bail Bonds" on September 29, 2000, [See Exhibit E] and Viking Bail Bonds, as surety issued its bail bond in the amount of \$50,000 to Riley County district Court signed by Burhans guaranteeing the appearance of Martye Madkins, Defendant in Case No. 00 CR 997

[See Exhibit F]; and copies of that Power of Attorney and Surety Bond are attached hereto and incorporated herein as Exhibits E and F respectively.

Conclusions of Law

8. K.S.A. [1999 Supp.] 40-1102 (1)(d) describes the kinds and lines of insurance and insurers which are subject to regulation by the Commissioner of Insurance and the Kansas Insurance Code:

“(d) to become surety or guarantor for any person, copartnership or corporation in any position or place of trust or as custodian of money or property, public or private; *to become a surety or guarantor for the performance by any person, copartnership or corporation of any lawful obligation, undertaking, agreement or contract of any kind, except contracts or policies of insurance;. . .*

7. Based upon the allegations in paragraphs 2, 3, 4, 5, 6 and 7, Viking Bail Bonds, Thompson Surety Company and Ivan D. Thompson, are acting as unauthorized insurers; and their surety bonds are insurance products which are subject to the regulation of the Commissioner of Insurance and the Insurance Code of the state of Kansas at Kansas Statutes Annotated, Chapter 40.

8. K.S.A. 40-214 requires Viking, Company and Ivan D. Thompson to be authorized and licensed by the Kansas Insurance Department to assume the risk of and issue surety bonds and do insurance business in Kansas:

“It shall be unlawful for any person, company, corporation or fraternal benefit society to transact the business of insurance, indemnity or **suretyship**, or do any act toward transacting such business, unless such person, company, corporation or fraternal benefit society shall have been duly authorized under the laws of this state to transact such business and shall have received proper written authority from the commissioner of insurance in conformity with the provisions of the laws of this state relative to insurance, indemnity and **suretyship**, and further, it shall be unlawful for any insurance company to effect contracts of insurance in this state on the life or person of residents of this state or on property located in this state except through persons duly licensed and certified in

accordance with the insurance laws of this state and subject to the provisions of K.S.A. 40-245 and amendments thereto. . .

9. Viking, Company and Ivan D. Thompson are not licensed in the state of Kansas to do the business of insurance as required by K.S.A. 40-214 and Viking Bail Bonds, Ivan D. Thompson and Thompson Surety Company are unauthorized insurers as defined at K.S.A. 40-2701 et seq.

10. K.S.A. 40-2701 of the Uniform Unauthorized Insurers Act subjects Viking, Ivan D. Thompson and Company to the jurisdiction of the Commissioner of Insurance and states the public policy reasons therefor:

“The purpose of this act is to subject certain insurers to the jurisdiction of the commissioner of insurance and the courts of this state in suits by or on behalf of the state. The legislature hereby declares that it is concerned with the protection of residents of this state against acts by insurers not authorized to do an insurance business in this state, by the maintenance of fair and honest insurance markets, by protecting authorized insurers which are subject to regulation from unfair competition by unauthorized insurers and by protecting against the evasion of the insurance regulatory laws of this state. In furtherance of such state interests, the legislature herein provides methods for substituted service of process upon such insurers in any proceeding, suit or action in any court and substituted service of any notice, order, pleading or process upon such insurers in any proceeding by the commissioner of insurance to enforce or effect full compliance with the insurance laws of this state. . .”

11. K.S.A. 40-2702(b) defines the doing of the business of insurance in Kansas:

(b) Any of the following acts in this state effected by mail or otherwise by or on behalf of an unauthorized insurer is deemed to constitute the transaction of an insurance business in this state: (1) The making of or proposing to make, as an insurer, an insurance contract; (2) the taking or receiving of any application for insurance; (3) the receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or any part thereof; (4) the issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state; (5) directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications or

delivery of policies or contracts or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and rising out of it or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident in this state. Nothing herein shall be construed to prohibit full-time salaried employees of a corporate insured from acting in the capacity of an insurance manager or buyer in placing insurance in behalf of such employer; (6) the transaction of any kind of insurance business specifically recognized as transacting an insurance business within the meaning of the statutes relating to insurance; or (7) the transacting of or proposing to transact any insurance business, in substance equivalent to any of the foregoing, in a manner designed to evade the provisions of this act.

12. Based upon the Findings of Fact in paragraphs 2, 3, 4, 5, 6, and 7, Viking, Company and Ivan D. Thompson have and continue to engage in the unauthorized business of insurance as defined in K.S.A. 40-2702(b)(1), (3), (4), (6) and (7).

Policy Reasons

13. Based upon the Findings of Fact and Conclusions of Law in above paragraphs 2, 3, 4, 5, 6, 7, and 12, the Commissioner of Insurance of Kansas has jurisdiction over all parties named pursuant to K.S.A. 40-2701, et seq., and K.S.A. 40-2001 because they are all doing the business of insurance as defined by K.S.A. 40-2702(b) but are not licensed nor admitted to do the business of insurance in violation of K.S.A. 40-214; and the Commissioner of Insurance of the State of Kansas is charged with enforcement of the Kansas insurance code.

IT IS THEREFORE BY THE COMMISSIONER OF INSURANCE ORDERED THAT:

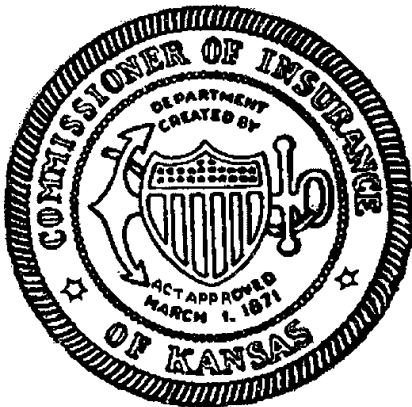
Ivan D. Thompson, Thompson Surety Company, and Viking Bail Bonds and all their known and unknown agents, representatives, and persons doing business in, for or with Ivan D. Thompson, Thompson Surety Company and Viking Bail Bonds, immediately cease and desist issuing powers of attorney and/or bail bonds in the name of Thompson Surety Company and

Viking Bail Bonds and any other acts which constitute the business of insurance in the State of Kansas as described in K.S.A. 40-2702(b).

Notice of Right to Hearing

Upon written request by Ivan D. Thompson, Thompson Surety Company or Viking Bail Bonds within fifteen (15) days after service of this Order, this matter will be set for formal hearing which shall be conducted in accordance with the provisions of the Kansas Administrative Procedure Act, K.S.A. 77-501, et seq. If no adjudicative proceeding is requested and none is ordered by the Commissioner, this Order shall remain in effect against Ivan D. Thompson, Thompson Surety Company and Viking Bail Bonds until it is modified or vacated by the Commissioner.

**IT IS SO ORDERED THIS 30th DAY OF OCTOBER, 2000, IN THE CITY OF TOPEKA,
COUNTY OF SHAWNEE, STATE OF KANSAS.**



_____/s/ Kathleen Sebelius_____

Kathleen Sebelius

Commissioner Of Insurance

BY:

_____/s/ Kathy Greenlee_____

Kathy Greenlee

General Counsel

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on the 30th day of October, 2000, a true and correct copy of the above and foregoing Order was served upon the named parties by certified mail, return receipt requested, by depositing the same in the U.S. Mail, first class postage and other charges prepaid, addressed as follows:

Secretary of State of the State of Kansas
Memorial Hall, First Floor
120 SW Tenth Avenue
Topeka, Kansas 66612-1594

Ivan D. Thompson
2400 NE Happy Hollow Road
Topeka, Kansas 66617

Thompson Surety Co.
c/o Ivan D. Thompson
2400 NE Happy Hollow Road
Topeka, Kansas 66617

Viking Bail Bonds
c/o Loren Thormodsgard
114 SE Eighth Avenue
Topeka, Kansas 66603

Margaret A. Gatewood, Senior Counsel, KID