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D e p a r t m e n t

FILED

DEC 15 2004

COMMISSIONER OF INSURANCE
STATE OF KANSAS

Sandy Praeger COMMISSIONER OF INSURANCE

November 29, 2004

Gary Lee Dudley
P.O. Box 795027
San Antonio, Texas 78279-5027

Docket No. 3415-A

Re: Excess/Surplus Lines Reporting Requirements; Untimely Filing

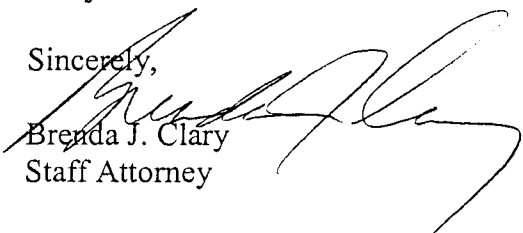
Dear Agent:

Kansas Insurance Department (KID) records indicate that you filed the required information and paid premium tax required by K.S.A. 40-246c on March 4, 2004. Pursuant to K.S.A. 40-246c, the amount of premium tax is doubled if the premium tax is not paid on or before March 1.

By this letter, you are assessed a penalty of 100% of the amount of the premium tax due, or \$261.22. However, in light of the severity of the statutory penalty in relation to the amount of time between the deadline and your filing, the Commissioner is willing to waive up to 99% of the penalty if you pay the greater of \$100 or 1% of the amount of premium tax within 15 days of the date of this letter. If you have not either remitted the penalty or requested a hearing by the close of business on the 15th day after the date of this letter (or the first business day following the 15th day if the 15th day is not a business day), your excess lines and Kansas insurance agent's licenses will be suspended until such time as you pay the full amount of the penalty.

Unless you request a hearing, this letter will become a final agency action at the close of business on the 15th day after the date of this letter. Should you choose to request a hearing, you may direct a written request for hearing to John W. Campbell, General Counsel, Kansas Insurance Department, 420 SW 9th Street, Topeka, KS 66612. Mr. Campbell is also the agency officer designated pursuant to K.S.A. 77-613(e) to receive service on behalf of KID of a petition for judicial review.

Sincerely,


Brenda J. Clary
Staff Attorney

Cc: Pete Tavares
Leroy Brungardt