

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

FINAL ORDER

Effective: 2/16/04

In the Matter of the Kansas Resident)
Insurance Agent's License of)
TIMOTHY R. ADAMS) Docket No. 3270-SO

SUMMARY ORDER

(Pursuant to K.S.A. 2002 Supp. 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2002 Supp. 40-4909, the Commissioner hereby revokes the resident agent's license of Timothy R. Adams ("Adams") by way of Summary Order as provided by K.S.A. 77-537.

Findings of Fact

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Adams is licensed as a resident agent to transact the business of insurance in the State of Kansas and has been so licensed since December 30, 1998. KID records further indicate a legal address of 243 North Chestnut, Howard, Kansas, and a mailing address of P.O. Box 443, Howard, KS 67349-0443.

2. By letter dated January 8, 2004, Combined Insurance Company of America notified KID that it had terminated Adams' appointment for cause and advised that Adams had admitted "he reinstated policies without the knowledge and consent of a policyholder and submitted policies for people that did not exist."

3. The company supplied supporting documents to establish that Adams obtained two post-dated premium checks from a consumer, used one to pay premium on the consumer's accident policies, altered the other check, and used it and a forged signature on an authorization form to establish automatic payment, and submitted applications for eight additional policies on fictitious insureds.

4. A letter “To Whom It May Concern” dated 11-03-03 and signed “Tim Adams” was included in the supporting documents. The letter admits Adams diverted funds and fabricated names for the policies.

5. In addition, Adams admits to reinstating four policies without the knowledge or consent of the insureds.

6. Adams also admits to submitting applications for coverage on nonexistent persons and submitting applications for members of his extended family, paying the initial premiums with his own funds, and canceling the policies in order to create an “illusion of performance.”

Applicable Law

7. K.S.A. 2002 Supp. 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 . . . (2) Violated: (A) Any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder; . . . (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. . . . (10) Forged another person’s name to an application for insurance or to any document related to an insurance transaction. . . .” K.S.A. 2002 Supp. 40-4909(a).

8. The Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the insurable interests of the public are not properly served under such license. K.S.A. 2002 Supp. 40-4909(b).

Conclusions of Law

9. The Commissioner has jurisdiction over Adams as well as the subject matter of this proceeding, and such proceeding is held in the public interest.

10. The Commissioner finds that good cause exists to revoke Adams’ insurance agent’s license in that Adams has admitted to forging applications for insurance, and the

documents supplied by the company demonstrate that Adams also obtained, altered and submitted a personal check to facilitate electronic premium payments without authorization.

11. The Commissioner finds that good cause exists to revoke Adams' license in that his conduct constitutes a fraudulent or dishonest practice and demonstrates untrustworthiness and financial irresponsibility in the conduct of business.

12. The Commissioner concludes that Adams' license should be revoked without delay for the protection of the insurable interests of the public.

13. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this matter is appropriate, in accordance with the provisions set forth in K.S.A. 77-537(a), in that the use of summary proceedings does not violate any provision of the law and the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Timothy R. Adams.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agent's license of Timothy R. Adams is hereby REVOKED.

Notice and Opportunity for Hearing

Timothy R. Adams within fifteen (15) days of service of this Summary Order, may file with the KID written request for a hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

John W. Campbell
General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, KS 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent 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 the 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-day period for requesting a hearing. The Final Order will constitute final agency action in this matter.

In the event the Petitioner 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 KID is John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9th St., Topeka, KS 66612-1678.

IT IS SO ORDERED THIS 29th DAY OF JANUARY 2004, 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 the above and foregoing Summary Order on this 29th day of January 2004, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Timothy R. Adams
P.O. Box 443
Howard, KS 67349-0443

/s/ Brenda J. Clary _____
Brenda J. Clary