

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

In the Matter of the Kansas Resident)
Insurance Agent's License of)
MIKEL K. PRUITT)

Docket No. 3341-CO

CONSENT ORDER

(Pursuant to K.S.A. 2003 Supp. 40-4909)

The Kansas Insurance Department ("KID") and Kansas resident insurance agent Mikel K. Pruitt ("Respondent") wish to resolve allegations of misconduct without formal adjudicative proceedings by entering into this consent order. Having been advised of his right to a hearing prior to the issuance of an order, Respondent stipulates to the following order, and Respondent voluntarily waives hearing and review of the order.

Findings of Fact

The Commissioner has been shown the following:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Respondent is licensed as a resident agent to transact the business of insurance in Kansas, and has been so licensed since April 4, 1994.
2. KID records further indicate a legal and mailing address of 4853 187th, Russell, KS, 67665.
3. By letter dated May 10, 2004, Patricia A. Young advised KID that Respondent, claiming a business partnership with the insured, had obtained a life insurance policy on her husband, with Respondent as the owner and beneficiary, and had paid premium for the policy.
4. According to Mrs. Young, Respondent and her husband had never had a business partnership.

5. As a result of the Young complaint and further investigation, Respondent was charged on September 23, 2004, in case number 04CR251 in the District Court of Russell County, Kansas, with felony offenses arising out of the business of insurance.

Applicable Law

6. K.S.A. 2003 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; . . . (6) Been convicted of a misdemeanor or felony. . . . (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 . . .” K.S.A. 2003 Supp. 40-4909(a).

7. 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 such license. K.S.A. 2003 Supp. 40-4909(b).

Conclusions of Law

8. The Commissioner has jurisdiction over Respondent as well as the subject matter of this order, and such order is necessary to the public welfare.

9. The Commissioner and Respondent agree that evidence exists to support the allegation that Respondent falsely represented in documents submitted to an insurer that he had an insurable interest in the life of the insured.

10. The Commissioner and Respondent agree that Respondent’s alleged conduct is grounds for suspension or revocation pursuant to K.S.A. 2003 Supp. 40-4909(a)(8) because it is a fraudulent, coercive, or dishonest practice or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

11. The Commissioner and Respondent agree to suspension of Respondent's insurance agent's license pursuant to K.S.A. 2003 Supp. 40-4909(a) pending resolution of criminal charges. Commissioner and Respondent agree that during the period of suspension, Respondent's business activities are limited by statute as follows:

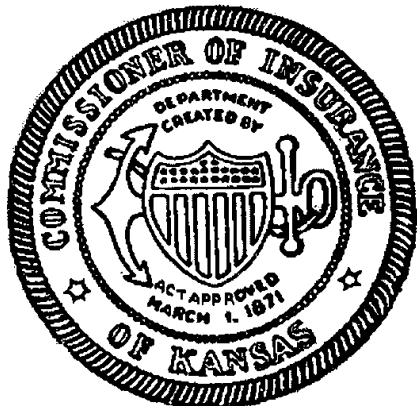
A person may not sell, solicit, or negotiate insurance without a license. K.S.A. 2003 Supp. 40-4905(a). A company may not pay, and a person may not accept, a commission, service fee, brokerage fee, or other valuable consideration for selling, soliciting or negotiating insurance if the person is required to be licensed and is not, and an agent may not share commissions with a person who is not licensed. K.S.A. 2003 Supp. 40-4910.

“Negotiate’ means the act of conferring directly with or offering advice directly to any purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of such contract . . .” K.S.A. 2003 Supp. 40-4902(s).

“Sell’ means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.” K.S.A. 2003 Supp. 40-4902(u). “Solicit’ shall include any attempt to sell insurance or asking or urging a person to apply for any particular kind of insurance from any particular insurance company.” K.S.A. 2003 Supp. 40-4902(v).

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agent's license of Mikel K. Pruitt is hereby SUSPENDED. It is further ordered that Mikel K. Pruitt shall **CEASE AND DESIST** from engaging in the business of insurance until and unless the suspension terminated or this order is vacated or modified after further proceedings.

IT IS SO ORDERED THIS 25th DAY OF OCTOBER, 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

I hereby stipulate and agree to the Commissioner's findings of fact, conclusions of law, and order. Further, I hereby waive judicial review of the order.

/s/ Mikel K. Pruitt
Mikel K. Pruitt
Date

APPROVED BY:

/s/ Derek Shafer
Derek Shafer
Attorney for Respondent Mikel K. Pruitt

SUBMITTED AND APPROVED BY:

/s/ Brenda J. Clary
Brenda J. Clary
Attorney for Petitioner Kansas Insurance Department

NOTICE: The person 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.

Certificate of Service

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing **Consent Order** on this 25th day of October, 2004, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Mikel K. Pruitt
P.O. Box 962
Russell, KS 67665

Derek Shafer
700 S.W. Jackson
Roof Garden Suite
Topeka, KS 66603
Attorney for Respondent

/s/ Brenda J. Clary
Brenda J. Clary