

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

<b>FINAL ORDER</b>
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Effective: 02/18/05
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In the Matter of the Kansas Nonresident )  
Insurance Agent's License of )  
SCOTT W. LANCASTER )

Docket No. 3375-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. 2003 Supp. 40-4909, the Commissioner hereby revokes the nonresident agent's license of Scott W. Lancaster ("Respondent") by way of Summary Order as provided by K.S.A. 77-537.

**Findings of Fact**

The Commissioner has been shown the following facts:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Respondent is licensed as a nonresident agent to transact the business of insurance in the State of Kansas and has been so licensed since November 29, 2003.
2. KID records further indicate a legal and mailing address of 1412 NW 183<sup>rd</sup> Street, Edmond, OK 73003.
3. In his application for Kansas nonresident insurance agent's license, Respondent disclosed having received a deferred sentence on a charge of indecent exposure on November 27, 1996.
4. The National Association of Insurance Commissioners ("NAIC") Regulatory Information Retrieval System ("RIRS") database reflects the following information: Respondent was denied a producer license in South Dakota, effective June 23, 2004, as a result of criminal history, incomplete license application, and failure to respond.

5. By letter to Respondent dated August 3, 2004, the KID requested details of the regulatory action and a copy of the order.

6. By letter of August 19, 2004, KID again requested details of the regulatory action and criminal history and advised Respondent that if he failed to reply by September 3, 2004, action would be initiated to revoke his Kansas nonresident insurance agent's license.

7. To date, KID has not received a response from Respondent, returned mail, or notice of a change of address, and Respondent has not otherwise reported the action to KID.

### **Applicable Law**

8. 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: (1) Provided incorrect, misleading, incomplete or untrue information in the license application. (2) Violated: (A) Any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder . . . (9) Had an insurance agent license, or its equivalent, denied, suspended or revoked in any other state, district or territory . . .” K.S.A. 2003 Supp. 40-4909(a).

9. Administrative regulations require that a person licensed in this state as an insurance agent shall, within 30 days of the occurrence, report enumerated events to the Commissioner. Among these events are action against the agent's license by the insurance regulatory official of any other state or territory and a change of name or address. K.A.R. § 40-7-9.

10. 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. 2003 Supp. 40-4909(b).

### **Conclusions of Law**

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

12. Based on the information summarized in paragraph 4 above, the Commissioner finds that Respondent failed to report an administrative action to KID as required by K.A.R. §40-7-9.

13. Also based on the information contained in paragraph 4 above, the Commissioner finds that Respondent has been denied an insurance agent's license in another state.

14. In addition, the Commissioner finds that Respondent has failed to respond to a proper inquiry, leaving doubt whether the South Dakota action was based on the same criminal history as disclosed to KID.

15. The Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of Jesse Respondent pursuant to K.S.A. 2003 Supp. 40-4909(a).

16. The Commissioner also concludes that Respondent's license may be revoked pursuant to K.S.A. 2003 Supp. 40-4909(b) for the protection of the insurable interests of the public because Respondent has failed to respond to a proper inquiry from KID, demonstrating a disregard for the regulatory authority of the Commissioner and a lack of trustworthiness in the conduct of business.

17. Accordingly, the Commissioner finds that Respondent's Kansas nonresident insurance agent's license should be revoked.

18. 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 Scott W. Lancaster.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT** the Kansas nonresident insurance agent's license of Scott W. Lancaster is hereby **REVOKED**, and Scott W. Lancaster is ordered to **CEASE AND DESIST** from engaging in the sale, solicitation, or negotiation of insurance in Kansas or with respect to risks located in Kansas.

**IT IS SO ORDERED THIS 31<sup>st</sup> DAY OF JANUARY 2005, 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

**IMPORTANT NOTICE:** Respondent herein may have a right to judicial review of this order as provided in the Kansas Act for Judicial Review and Civil Enforcement of Agency Actions, K.S.A. 77-601 *et seq.* 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. 9<sup>th</sup> St., Topeka, KS 66612-1678.

**Certificate of Service**

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing **Notice** and **Summary Order** on this 31<sup>st</sup> day of January 2005, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Scott W. Lancaster  
1412 NW 183<sup>rd</sup> Street  
Edmond, OK 73003

\_s/ Brenda J. Clary \_\_\_\_\_  
Brenda J. Clary

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

In the Matter of the Kansas Nonresident        )  
Insurance Agent's License of                    )  
SCOTT W. LANCASTER                            )                   Docket No.   3375-SO

**NOTICE OF SUMMARY ORDER**

Notice is hereby given that the attached Summary Order will become effective fifteen (15) days after service of this Notice unless Respondent files with the Kansas Insurance Department ("KID") a written request for a hearing, as provided by K.S.A. 77-542. In the event a hearing is requested, the attached summary order will serve to give notice of the allegations upon which KID bases its proposed action.

A request for hearing should be directed to John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9<sup>th</sup> Street, Topeka, KS 66612.

Any costs of an administrative hearing may be assessed against an agent who is the subject of the hearing as provided by K.S.A. 40-4909(f).

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.

Dated this 31st day of January 2005.

\_s/ Brenda J. Clary \_\_\_\_\_  
Brenda J. Clary  
Staff Attorney  
Kansas Insurance Department