

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

FINAL ORDER

Effective: 01/31/06

In the Matter of the Kansas Nonresident)
Insurance Agent's License of)
SHEILA L. HOLMES) Docket No. 3515-SO

SUMMARY ORDER

(Pursuant to K.S.A. (2004 Supp.) 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. (2004 Supp.) 40-4909, the Commissioner hereby revokes the nonresident agent's license of Sheila L. Holmes ("Holmes") 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 Holmes is licensed as a nonresident agent to transact the business of insurance in the State of Kansas, and has been so licensed since July 27, 2004. KID records further indicate a legal address of 1310 Merchant Tale Ln. Austin, TX 78748, and a mailing address of 7301 Metro Center Dr. Austin TX 78744.

2. The National Association of Insurance Commissioners ("NAIC") Regulatory Information Retrieval System ("RIRS") database reflects the following information: Holmes' insurance agent's license was revoked by the State of Indiana, effective November 16, 2005, for her failure to report other state action and criminal record/history.

3. NAIC RIRS database also reflects that the State of South Dakota, too, has revoked Holmes' license, effective on November 1, 2005, for her failure to respond to the licensing authority and failure to report other state action.

4. NAIC RIRS database further indicates that Holmes entered into a settlement agreement with the State of Alabama, on April 7, 2005, consenting to the finding that she failed to disclose criminal history/record in her application for an insurance agent license, and agreed to place her license on probation for 1 year.

5. Holmes self-reported to KID of the state actions in Indiana and Alabama on September 25, 2005.

6. By letter of October 25, 2005, the KID attempted to contact Holmes at her legal address of record for an explanation of the above-stated actions, with notice that failure to respond to KID may impact the status of her Kansas license.

7. To date, KID has not received neither any explanation from Feldman regarding the actions taken by states of Indiana and Alabama nor any notification regarding the state action in South Dakota.

Applicable Law

8. K.S.A. (2004 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; (B) any subpoena or order of the commissioner; . . . (9) Had an insurance agent license, or its equivalent, denied, suspended or revoked in any other state, district or territory.” K.S.A. (2004 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 disciplinary action against the agent’s license by the

insurance regulatory official of any other state or territory and a change of 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. (2004 Supp.) 40-4909(b).

Conclusions of Law

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

12. The Commissioner finds that Holmes' Kansas license may be revoked solely because she has had a license revoked in another state.

13. In addition, the Commissioner finds that Holmes failed to respond KID's inquiry about the state actions against her licenses in Indiana and Alabama, despite clear notice that failure to do so may impact the status of her Kansas license, thereby violating the equivalent of a subpoena or order of the Commissioner.

14. The Commissioner further concludes that Holmes violated the administrative regulation requiring a licensed agent to report disciplinary action by other states within 30 days by failing to report the disciplinary actions in Alabama and South Dakota.

15. Accordingly, the Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of Sheila L. Holmes pursuant to K.S.A. (2004 Supp.) 40-4909(a).

16. Moreover, the Commissioner finds that Holmes has demonstrated irresponsibility in the conduct of business by failing to report the disciplinary actions taken by South Dakota to

KID, and her insurance agent's license should be revoked pursuant to K.S.A. (2004 Supp.) 40-4909(b) for the protection of the insurable interests of the public.

17. 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 Sheila L. Holmes.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas non-resident insurance agent's license of Shelia L. Holmes is hereby **REVOKED**.

Notice and Opportunity for Hearing

Shelia L. Holmes, 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/agency 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 12th DAY OF JANUARY, 2006, 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 12th day of January, 2006, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Sheila L. Holmes
1310 Merchant Tale Lane
Austin TX 78745

/s/ Ksingkan Chiang _____
Hsingkan Chiang, Staff Attorney