

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

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| FINAL ORDER Effective: 04/24/06 |
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In the Matter of the Kansas Nonresident)
Insurance Agent's License of) Docket No. 3541-SO
DARRIN R. NOAH)

SUMMARY ORDER
(Pursuant to K.S.A. 2005 supp. 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2005 Supp. 40-4909, the Commissioner hereby proposes to find facts and impose sanctions against the nonresident agent's license of Darrin R. Noah ("Noah" or "Respondent") by way of Summary Order as provided by K.S.A. 77-537.

Findings of Fact:

The commissioner finds the following facts from KID files and Respondent's statements:

1. Records maintained by the KID indicate that the Respondent is licensed as a nonresident agent to transact the business of insurance in Kansas and has been so licensed since November 7, 1989.
2. KID records further indicate a legal address of 7601 N.W. 73rd Court, Kansas City, Missouri 64152 and a mailing address of 4201 N.E. Lakewood Way #208, Lees Summit, Missouri 64064.
3. In February of 2005, Theodore K. Clark, Director of the Anti-Fraud Division for KID, received a complaint involving Darrin R. Noah, a

licensed nonresident insurance agent. Mr. Clark then conducted an investigation into the complaint filed with the Kansas Insurance Department (“KID”) regarding the failure of Darrin R. Noah to provide long-term care insurance and in-home care insurance after collecting premiums for coverage from Rudolph and Herman Nutsch.

4. According to statements made by Herman Nutsch, DOB: 1/08/25, that on or about 05/15/02 he and his brother Rudolph Nutsch, DOB: 2/01/26, were initially solicited by DARRIN R. NOAH (“Noah”) to purchase long-term care insurance. Later, Noah also sold them in-home care insurance, as well.

5. At the time Noah solicited the sale of long-term care insurance on 05/15/02 and on subsequent sales and premium collection visits to the home of Herman and Rudolph Nutsch, Noah was a licensed insurance agent in the State of Kansas. The Nutsch brothers have lived at 657 20th Road in Haddam, Washington County, Kansas since birth. Rudolph Nutsch suffered from Parkinson’s disease that had been diagnosed several years before.

6. At the time Noah solicited the sale of long-term care insurance on or about 05/15/2002 and on subsequent sales and premium collection visits to the home of Herman and Rudolph Nutsch, Noah was affiliated with Consolidated Insurance Employee Benefits, Inc. (“Consolidated” or “CIEB”) of Kansas City, Missouri. KID Records list Consolidated as a licensed insurance agency in Kansas with Noah as the only agent associated with that agency.

7. At the time of the solicitation of and collection of premium from Herman and Rudolph Nutsch for long-term care insurance and in-home care insurance by Noah, AF&L Insurance Company (“AF&L”) was an insurance company licensed to do business in Kansas.

8. On 5/15/02, Noah collected premium from Herman Nutsch in the form of a check (#1201) with the payee listed as "AF&L" in the amount of two thousand eight hundred and ninety dollars (\$2,890.00) for long-term insurance coverage. Noah left a receipt of premium and description of the coverage with Herman Nutsch.

9. On 5/15/02, Noah collected premium from Rudolph Nutsch in the form of a check (#1083) with the payee listed as "AF&L" in the amount of two thousand six hundred and twenty-eight dollars (\$2,628.00) for long-term insurance coverage. Noah left a receipt of premium and description of the coverage with Rudolph Nutsch.

10. Noah returned to the Nutsch residence on or about 11/14/03 and collected check #1265 from Herman Nutsch with the payee listed as "AF&L" for premium in the amount of three thousand six hundred and seventy-two dollars (\$3,672.00) for long-term care insurance.

11. Noah returned to the Nutsch residence on or about 11/14/03 and collected check #1228 from Rudolph Nutsch with the payee listed as "AF&L" for premium in the amount of three thousand four hundred and thirty-seven dollars (\$3,437.00). for long-term care insurance.

12. On or about 06/26/04, Noah returned to the Nutsch residence and collected check #1284 from Herman Nutsch with the payee listed as "AF&L" for premium in the amount of three thousand six hundred and seventy-two dollars (\$3,672.00) for long-term care insurance.

13. On or about 06/26/04, Noah returned to the Nutsch residence and collected check #1257 from Rudolph Nutsch with the payee listed as

"AF&L" for premium in the amount of three thousand four hundred and thirty-seven dollars (\$3,437.00) for long-term care insurance.

14. On or about 09/02/03 Noah returned to the Nutsch home and collected check #1256 from Herman Nutsch with the payee listed as "Consolidated" for premium in the amount of one thousand nine hundred and ninety-nine dollars (\$1,999) for in-home care insurance.

15. On or about 09/02/03 Noah returned to the Nutsch home and collected check #1221 from Rudolph Nutsch with the payee listed as "Consolidated" for premium in the amount of one thousand nine hundred and ninety-nine dollars (\$1,999) for in-home care insurance.

16. On or about 09/09/04 Noah returned to the Nutsch home and collected check #1290 from Herman Nutsch with the payee listed as "Consolidated" for premium in the amount of two thousand nine hundred and ninety-five (\$2,995) for in-home care insurance.

17. On or about 09/09/04 Noah returned to the Nutsch home and collected check #1263 from Rudolph Nutsch with the payee listed as "Consolidated" for premium in the amount of two thousand nine hundred and ninety-five (\$2,995) for in-home care insurance.

18. On or about 12/09/04 Noah returned to the Nutsch home and collected check #1300 from Herman Nutsch with the payee listed as "CIEB" for premium in the amount of nine thousand nine hundred and ninety-five (\$9,995) for in-home care insurance.

19. On or about 12/09/04 Noah returned to the Nutsch home and collected check #1272 from Rudolph Nutsch with the payee listed as "CIEB"

for premium in the amount of nine thousand nine hundred and ninety-five (\$9,995) for in-home care insurance.

20. On 04/27/05 Affiant interviewed Herman Nutsch at his home in Haddam, Kansas. Herman Nutsch advised that neither he nor Rudolph Nutsch have ever received any long-term care insurance policies from AF&L or Noah despite the fact that Noah had been collecting premiums for what the Nutsches believed to be long-term care insurance.

21. Further, Herman Nutsch stated that neither he nor Rudolph Nutsch have ever received any in-home care policies from "Consolidated", "CIEB" or Noah despite the fact that Noah had been collecting premiums for what the Nutsches believed to be in-home care insurance.

22. All of the checks collected by Noah were cashed and paid out of the Nutsch Brothers' individual checking accounts with First National Bank of Washington, Kansas.

23. On 02/25/05 Affiant interviewed DARRIN R. NOAH regarding the Nutsch Brothers and the long-term care insurance and in-home care insurance that Noah was supposed to have procured for Herman and Rudolph Nutsch. Noah stated that he thought Rudolph and Herman Nutsch did have long-term care insurance coverage through AF&L.

24. Noah further stated that he thought AF&L had refunded the Nutsches' money for in-home care insurance premiums because the policies that Noah requested were not approved for Kansas. Noah advised Affiant that he was unable to obtain in-home care insurance coverage through AF&L, so he contracted through Consolidated (Noah's company) to get the Nutsch Brother an emergency telephone with a panic button, claims processing assistance and discounted medical/prescription cards.

25. On 05/09/2005 Affiant received a letter from AF&L's Customer Service manager, Rich Danese. The letter stated that AF&L has never received applications from Noah for long-term care or in-home care insurance for Rudolph or Herman Nutsch... The only transactions AF&L ever had with the Nutsch Brothers was for discounted medical/prescription cards. Those cards were initially issued in June of 2003 to the Nutsch Brothers for one year through Noah, but were nonrenewed.

26. According to Rich Danese of AF&L (AF&L was the provider of the Health Allies Discount Card procured by Noah), the value of the health discount card was four hundred and twenty-nine dollars (\$429.00) each for Herman and Rudolph Nutsch for a total of eight hundred and fifty-eight dollars (\$858.00). According to Mr. Danese, Noah wrote a CIEB company check to AF&L for the cost of the cards. AF&L has never received any checks from either Herman or Rudolph Nutsch.

27. On July 8, 2005 a criminal complaint was filed in Washington County District Court charging Noah with ten (10) counts of felony theft arising from KID's investigation into this matter.

28. On February 2, 2006, Noah pleaded guilty to five (5) counts of felony theft. Sentencing is currently set for May 9, 2006 at 9:00 a.m.

Applicable Law

29. K.S.A. 2005 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: (6) Been convicted of a misdemeanor or felony. . ."
K.S.A. 2005 Supp. 40-4909(a).

30. K.S.A. 2005 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: (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. 2005 Supp. 40-4909(a).

31. 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. 2005 Supp. 40-4909(b).

Conclusions of Law

32. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest. The Commissioner finds, based on the facts contained in paragraphs 3 through 18, that Respondent has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

33. The Commissioner finds, based on the facts contained in paragraph 28, that the Respondent has been convicted of five (5) felonies.

34. The Commissioner concludes that sufficient grounds exist for the revocation of Respondent’s insurance agent’s license pursuant to K.S.A. 2005 Supp. 40-4909(a).

35. As well, the Commissioner concludes that sufficient grounds exist for the revocation of Respondent’s insurance agent’s license pursuant

NOTICE: The person designed 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 Street, Topeka, KS 66612.

Certificate of Service

The undersigned hereby certifies that she serviced a true and correct copy of the above and foregoing **Notice** and **Summary Order** on this __4th__ day of April, 2006, by placing the same in the United States Mail, first class postage prepaid, addressed to the following:

Darrin R. Noah
7601 N.W. 73rd Court
Kansas City, MO 64152

_____/s/ Shelley J. Diehl_____
Shelley J. Diehl
Staff Attorney