

FINAL ORDER

Effective: 09-09-07

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

In the Matter of the Kansas Non-Resident)
Insurance Agent’s License of) Docket No. 3687-SO
RODNEY D. WATSON)

SUMMARY ORDER

(Pursuant to K.S.A. 2006 Supp. 40-4909 and K.S.A. 77-537)

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 2006 Supp. 40-4909, the Commissioner hereby revokes the Kansas Non-Resident Insurance Agent’s license of **RODNEY D. WATSON** (“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 Non-Resident Agent to transact the business of insurance in the State of Kansas, and has been so licensed since June 7, 2005. KID records further indicate a mailing address of P.O. Box 145, Phillips, NE 68865.
2. The National Association of Insurance Commissioner (“NAIC”) Regulatory Information Retrieval System (“RIRS”) database reflects the following information. Respondent was cited on November 29, 2006 by the Nebraska Department of Insurance for:
 - a. Misrepresentation of Insurance Product/Policy.
 - b. Demonstrated Lack of Fitness or Trustworthiness.
 - c. Failure to Report Other State Action.

- d. Respondent was fined One Thousand Five Hundred Dollars and No Cents (\$1,500.00).
3. On April 16, 2007, KID Producers Division Director LeRoy Brungardt (“Mr. Brungardt”) wrote Respondent requesting a copy of the Nebraska Order effective November 29, 2006.
4. On May 1, 2007, Mr. Brungardt wrote Respondent again indicating KID had not received a response and requesting the information by May 15, 2007.
5. As of July 10, 2007, Respondent had not complied with the KID requests for information regarding the disciplinary action taken by the Nebraska Department of Insurance.

Applicable Law

K.S.A. 2006 Supp. 40-4909 provides, in pertinent part:

- (a) 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
 - (C) any insurance law or regulation of another state; or
 - (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.
- (b) In addition, the commissioner may suspend, revoke, or refuse renewal of any license issued under this 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.A.R. 40-7-9 states, in pertinent part:

Each person licensed in this state as an insurance agent shall report the following to the commissioner of insurance within 30 days of occurrence:

- (a) Each disciplinary action on the agent's license or licenses by the insurance regulatory agency of any other state or territory of the United States.

Conclusions of Law

6. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
7. The Commissioner concludes Respondent violated K.S.A. 2006 Supp. 40-4909(a)(2)(A) by failing to report disciplinary action by another state within 30 days pursuant to K.A.R. 40-7-9(a).
8. The Commissioner concludes Respondent violated K.S.A. 2006 Supp. 40-4909(a)(8) demonstrating incompetence in failing to report disciplinary action by another state within 30 days pursuant to K.A.R. 40-7-9(a).
9. The Commissioner concludes the insurable interests of the public are not properly served under Respondent's license pursuant to K.S.A. 2006 Supp. 40-4909(b).
10. Accordingly, the Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of Respondent pursuant to K.S.A. 2006 Supp. 40-4909 and K.A.R. 40-7-9.
11. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this matter are 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
RODNEY D. WATSON.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT
the Kansas Non-Resident Insurance Agent's License of RODNEY D. WATSON is hereby
REVOKED.

IT IS FURTHER ORDERED that Respondent RODNEY D. WATSON shall **CEASE** and
DESIST from the sale, solicitation or negotiation of insurance and/or receiving compensation
deriving from the sale, solicitation or negotiation of insurance conducted after the effective date
of this Order.

Notice of Right to Hearing or Appeal

RODNEY D. WATSON ("Respondent") is entitled to a hearing pursuant to K.S.A. 77-537, the
Kansas Administrative Procedure Act. If Respondent desires a hearing, he must file a written
request for a hearing with:

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

This request must be filed within fifteen (15) day from the date of service of this Order. If you
request a hearing, the Kansas Insurance Department will notify you of the time and place of the
hearing and information on procedures, right of representation, and other rights of parties
relating to the conduct of the hearing, before commencement of the same.

If a hearing is not requested in the time and manner stated above, this Order shall become
effective as a Final Order upon the expiration of a time for requesting a hearing, pursuant to

K.S.A. 77-613. In the event that you file a petition for judicial review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department:

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

IT IS SO ORDERED THIS 14th DAY OF AUGUST, 2007 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

Prepared and Submitted By:

/s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
Staff Attorney

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing Summary Order and Notice of Rights was served by placing the same in the United States Mail, first class postage prepaid, on this __14th__ day of __August__, 2007, addressed to the following:

Rodney D. Watson
P.O. Box 145
Phillips, NE 68865

/s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
Staff Attorney