

FINAL ORDER

Effective: 03-06-08

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

In the Matter of the Kansas)
Resident Insurance Agent’s License of) Docket No. 3768-SO
Terrel Y. Bruce)

SUMMARY ORDER

(Pursuant to K.S.A. 2006 Supp. 40-4909 and K.S.A. 77-501 *et. seq.*)

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 40-4909, the Commissioner hereby revokes the resident agent’s license of Respondent, Terrel Y. Bruce (“Ms. Bruce”). This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

Findings of Fact

The Commissioner finds the following facts:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate Terrel Y. Bruce is licensed as a resident agent to transact the business of insurance in Kansas, and has been so licensed since October 26, 2006.
2. KID records indicate a mailing address of 16624 W. 147th St., Olathe, Kansas 66062-2540.
3. On September 18, 2007, Leroy Brungardt, Director Producer’s Divisions of the Kansas Insurance Department received information that Terrel Y. Bruce had received an administrative action against her license in the State of Florida on July 6, 2007. At that time Ms. Bruce had not informed KID of the action.

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4. On September 19, 2007, Mr. Brungardt sent a letter to Ms. Bruce requesting that she submit a “copy of the Florida order plus all the paperwork that relates to the offense that caused this problem.”
5. Ms. Bruce responded by sending KID a letter dated “August 30, 2007” along with attachments. These attachments included a copy of the Consent Order issued by the State of Florida on July 6, 2007; Journal Entry from Sedgwick County District Court case number 92CR162; and the Journal Entry of Judgment from Sedgwick County District Court case number 92CR162.
6. The Journal Entry of Judgment from Sedgwick County District Court case number 92CR162 showed that Ms. Bruce (whose name was previously Terrel Y. Charles) was convicted on March 4, 1993 of five (5) counts of Forgery, a violation of K.S.A. 21-3710(a), all class E felonies and five (5) counts of Forgery, a violation of K.S.A. 21-3710(b), all class E felonies.
7. On or about September 22, 2006, Ms. Bruce filed her application for a Kansas resident agent’s insurance license, Ms. Bruce answered “no” to the question concerning any convictions.
8. On September 24, 2007, Leroy Brungardt sent Ms. Bruce a letter informing her of her need to submit a 1033 form as required by 18 U.S.C. §§ 1033 and 1034. Mr. Brungardt requested that the form along with all attachments be returned to KID by October 8, 2007.
9. Again on October 17, 2007, Mr. Brungardt sent a letter to Ms. Bruce informing her that KID had not received her 1033 form and that if a response was not

received by October 25, 2007 that KID would begin proceedings to revoke her license.

10. Subsequent to that date, KID received Ms. Bruce's 1033 form. In reviewing the 1033 form it was determined that Ms. Bruce failed to complete the application. Ms. Bruce failed to submit as required by Section VIII of the 1033 form the attachments required in paragraphs 4 and 7.
11. Then on or about December 10, 2007, KID received another letter from Ms. Bruce advising that she had again been subject to an administrative action by the State of Florida on November 15, 2007, for the same violation, failure to disclose prior criminal history on an application for an insurance agent's license.

Applicable Law

12. K.S.A. 2006 Supp. 40-4909 states, 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 or regulation promulgated thereunder;
 - (C) any insurance law or regulation of another state;
 - (6) Been convicted of a misdemeanor or felony.
 - (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.
13. KA.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

14. The Commissioner has jurisdiction over Ms. Bruce as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
15. The Commissioner finds that Ms. Bruce has been found guilty of ten felony counts of forgery as determined from Sedgwick County District Court case number 92CR162, a violation of K.S.A. 40-4909(a)(6). The Commissioner also finds that Ms. Bruce did not properly disclose this information on her application for an insurance agent's license on September 22, 2006.
16. The Commissioner finds that Respondent's Kansas license may be revoked because Respondent violated an insurance law or regulation in another state pursuant to K.S.A. 2006 Supp. 40-4909(a)(2)(C).
17. The Commissioner finds that Respondent violated K.S.A. 2006 Supp. 40-4909(a)(2)(A) and K.A.R. 40-7-9 by failing to notify the Kansas Insurance Department of the disciplinary action taken by the State of Florida Department of Insurance on July 6, 2007 within the 30 days required.
18. The Commissioner finds, pursuant to K.S.A. 40-4909(b), that the insurable interests of the public are not properly served under Ms. Bruce's license.
19. Accordingly, the Commissioner concludes sufficient grounds exist for the revocation of the insurance agent's license of Terrel Y. Bruce pursuant to K.S.A. 40-4909(a) and (b).

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The Kansas Resident Insurance Agent's License of TERREL Y. BRUCE is hereby **REVOKED** effective the effective date of this Order.
2. **IT IS FURTHER ORDERED** that TERREL Y. BRUCE 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 AND OPPORTUNITY FOR HEARING

Terrel Y. Bruce, within fifteen (15) days of service of this Summary Order, may file with the Kansas Insurance Department a written request for 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, Kansas 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 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 (15) day period for requesting a hearing. The Final Order will constitute final agency action in the 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 Kansas Insurance Department is:

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

IT IS SO ORDERED THIS 11th DAY OF FEBRUARY, 2008, 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 she served the above and foregoing Summary Order on this 11th day of February, 2008, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Terrel Y. Bruce
16624 W. 147th St.
Olathe, Kansas 66062-2540

/s/ Stacy R. Bond
Stacy R. Bond
Staff Attorney