

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

In the Matter of the Kansas Nonresident)
Insurance Agent's License of) Docket No. **4225--SO**
WILLIAM R. HESS, Jr.)
NPN #5935152)

SUMMARY ORDER

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

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909, the Commissioner hereby proposes to find facts and revoke the Kansas nonresident insurance agent's license of William R. Hess, Jr. ("Respondent"), by way of Summary Order as provided by K.S.A. 77-537.

Findings of Fact

1. Records maintained by the Kansas Insurance Department ("KID") reflect that Respondent is licensed as a nonresident agent to transact the business of insurance in Kansas and has been so licensed since September 14, 2007.
2. KID records further indicate Respondent's legal and mailing address of record is Apartment 204, 3117 Stratton Way, Madison, WI 53719-2587.
3. Following investigation, the Commissioner has no reason to believe that protection of the public interest requires the Commissioner to give notice and opportunity to participate to anyone other than the respondent.
4. Following investigation, the Commissioner finds evidence sufficient to support the following findings of fact:

5. According to the NAIC Producer Database, Respondent's address of record with the insurance regulatory authority of Wisconsin was updated on September 2, 2010, to show a current address of 512 Spring St., Decherd, TN 37324-3101.
6. Respondent's Wisconsin license expired on July 31, 2009, as did his Tennessee license.
7. Effective August 20, 2008, Respondent's insurance agent license in Virginia was revoked for a surplus lines violation.
8. Effective December 30, 2008, Respondent's Utah license was revoked for failure to respond.
9. Effective February 9, 2009, Respondent's South Dakota license was revoked for failure to respond and failure to report other state action.
10. Effective March 11, 2009, Respondent was fined by the Kentucky insurance regulatory authority for failure to notify the department of an address change and failure to pay an assessment.
11. Effective August 28, 2009, Respondent's Indiana license was nonrenewed for surplus lines violations.
12. Effective October 23, 2009, Respondent's New York license was revoked for failure to respond, failure to notify department of address change, demonstrated lack of fitness or trustworthiness, and failure to report other state action.
13. Respondent did not report any of those actions to the Kansas Insurance Department within 30 days as required by K.A.R. § 40-7-9(a) and has not reported them to date.

14. By letter of September 16, 2010, addressed to Respondent at his mailing address of record in Wisconsin and at the Tennessee address, counsel for KID invited Respondent to reply within 15 business days if he disputed the above facts.

15. The letter addressed to Respondent at his address of record was returned as undeliverable.

16. To date, the letter addressed to Respondent in Tennessee has not been returned and Respondent has not replied.

17. The foregoing facts are thus undisputed.

Applicable Law

18. K.S.A. 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; . . .

(9) Had an insurance agent license, or its equivalent, denied, suspended or revoked in any other state, district or territory. . . .” K.S.A. 40-4909(a).

19. “Unless denied licensure pursuant to K.S.A. 2009 Supp. 40-4909, and amendments thereto, a nonresident person shall receive a nonresident agent license if . . . Such person is currently licensed as a resident and in good standing in such person’s home state. . . .” K.S.A. 40-4906(a)(1).

20. In addition, 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. 40-4909(b).

Conclusions of Law

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

22. The Commissioner finds, based on the facts contained in paragraphs 5 and 6, that Respondent's license must be revoked pursuant to K.S.A. 40-4906(a) because Respondent is no longer licensed and in good standing in his home state and, thus, no longer qualified to hold a reciprocal license.

23. The Commissioner finds, based on the facts contained in paragraphs 7, 8, 9, and 12, that Respondent's license may be revoked, pursuant to K.S.A. 40-4909(a)(9), because Respondent has had an insurance agent's license revoked, denied, or suspended in another state.

24. The Commissioner finds, based on the facts contained in paragraphs 7 through 12, that Respondent's license may be revoked, pursuant to K.S.A. 40-4909(a)(2)(A), because Respondent has violated K.A.R. §40-7-9(a) by failing to report disciplinary actions to the Commissioner.

25. Based on the foregoing findings, the Commissioner concludes that sufficient grounds exist for the revocation of Respondent's insurance agent's license pursuant to K.S.A. 40-4909(a).

26. The Commissioner further concludes Respondent's license may be revoked pursuant to K.S.A. 40-4909(b) because such license is not properly serving the interests of the insurer and the insurable interests of the public.

27. 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, the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Respondent, and after investigation, KID believes in good faith that the allegations will be supported to the applicable standard of proof.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas nonresident insurance agent's license of **WILLIAM R. HESS, Jr.**, is hereby **REVOKED**. **It is further ordered**, that **WILLIAM R. HESS, Jr.**, 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 on and after the effective date of this order.

IT IS SO ORDERED THIS __15th__ DAY OF OCTOBER 2010, 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

NOTICE OF RIGHTS TO HEARING AND REVIEW

Within fifteen (15) days of the date of service of this Summary Order, Respondent may submit a written request for a hearing pursuant to K.S.A. 77-537 and K.S.A. 77-542. Any request for a hearing should be addressed to the following:

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

If a hearing is requested, the Kansas Insurance Department will serve notice 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.

If a hearing is not requested in the time and manner stated above, this Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing. In the event Respondent files 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 is

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

Certificate of Service

The undersigned hereby certifies that she serviced a true and correct copy of the above and foregoing **Summary Order** and accompanying **Notice of Rights** on this ___15th___ day of October 2010, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

William R. Hess, Jr.
Apt 204, 3117 Stratton Way
Madison, WI 53719-2587

and

William R. Hess, Jr.
512 Spring St.
Decherd, TN 37324-3101

_ /s/ Brenda J. Clary _____
Brenda J. Clary
Staff Attorney