

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

In the Matter of the Kansas Nonresident)
Insurance Agent's License of) Docket No. **4222--SO**
GARY LEE KARNS)
NPN #1736799)

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 Gary Lee Karns ("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 March 10, 2009.
2. KID records further indicate Respondent's legal and mailing address is 3465 S. Arlington Rd. E#154, Akron, OH 44312.
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. Respondent was previously licensed as a resident insurance agent in the state of Ohio, and that license was suspended effective July 1, 2010, for failure to complete required continuing education.
6. Respondent was previously licensed as a nonresident agent in Utah, and that license was revoked effective March 15, 2010.
7. A cease and desist order was entered against Respondent in Oklahoma on June 23, 2010.
8. Respondent did not report the Utah and Oklahoma 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.
9. By letter of September 9, 2010, counsel for KID wrote to Respondent at his mailing address of record and invited Respondent to reply within 15 business days if he disputed the above.
10. To date, the letter has not been returned and Respondent has not replied.

Applicable Law

11. 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; . . .

(C) any insurance law or regulation of another state; . . .

(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).

12. “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).

13. 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

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

15. The Commissioner finds, based on the facts contained in paragraph 5, 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.

16. The Commissioner finds, based on the facts contained in paragraph 6, 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 in another state.

17. The Commissioner finds, based on the facts contained in paragraphs 6, 7, and 8, that Respondent’s license may be revoked, pursuant to K.S.A. 40-4909(a)(2)(A), because Respondent has violated a provision of the chapter 40 of the Kansas Statutes Annotated by failing to report disciplinary actions to the Commissioner.

18. 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).

19. 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.

20. 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 **GARY LEE KARNs** is hereby **REVOKED**. **It is further ordered,** that **GARY LEE KARNs** 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 __7th__ 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 ___7th___ day of October 2010, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Gary Lee Karns
3465 S. Arlington Rd. E#154
Akron, OH 44312

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