

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

In the Matter of the Kansas Nonresident )  
Insurance Agent's License of ) Docket No. **4284--SO**  
**DAVID ROY DEASES, JR.** )  
NPN #7019107 )

**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 David Roy Deases, 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 March 30, 2009.
2. KID records further indicate Respondent's legal and mailing address is 9939 Fredericksburg Road, Apt. 1217, San Antonio, TX 78240-4155.
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 Respondent was previously licensed as a resident insurance agent in the state of Texas, and that license was revoked effective November 17, 2010, on grounds of misappropriation of premium and fraudulent and dishonest acts or practices.
6. Respondent did not report this action to the Kansas Insurance Department within 30 days as required by K.A.R. § 40-7-9(a) and has not reported it to date.
7. By letter of March 3, 2011, 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.
8. To date, Respondent has not replied; thus, the foregoing facts are deemed undisputed.

#### **Applicable Law**

9. K.S.A. 2010 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. . .

(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; . . .

(4) Improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business. . .

(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.

(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).

10. K.A.R. §40-7-9 requires a licensed agent to report to the Commissioner within 30 days any disciplinary action against the agent's license by the insurance regulatory agency of another jurisdiction or any change of address.

11. "Unless denied licensure pursuant to K.S.A. 2010 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. 2010 Supp. 40-4906(a)(1).

12. 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**

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

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

15. The Commissioner finds, based on the facts contained in paragraphs 5 and 6, 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 a disciplinary action against his insurance agent license by another state.

16. The Commissioner finds, based on the findings contained in the Texas order, that Respondent's license may be revoked pursuant to K.S.A. 2010 Supp. 40-

4909(a)(2)(C) because Respondent has violated the insurance laws of another state; alternatively, Respondent's license may be revoked pursuant to K.S.A. 2010 Supp. 40-4909(a)(4) (misappropriation of premium) and/or K.S.A. 2010 Supp. 40-4909(a)(8) (fraudulent and dishonest acts or practices).

17. The Commissioner finds, based on the facts contained in paragraph 5, that Respondent's license must be cancelled or revoked pursuant to K.S.A. 40-4906(a)(1) because Respondent is no longer licensed and in good standing in his home state and, thus, no longer entitled to a nonresident license based on reciprocity.

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) and K.S.A. 4906(a)(1).

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 DAVID ROY DEASES, JR.,**

is hereby **REVOKED**. It is further ordered, that **DAVID ROY DEASES, 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 \_\_29th\_\_ DAY OF MARCH 2011, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_/s/ Sandy Praeger\_\_\_\_\_  
Sandy Praeger  
Commissioner of Insurance

BY:

\_\_\_\_\_/s/ Zachary J.C. Anshutz\_\_\_\_\_  
Zachary J.C. Anshutz  
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:

Zachary J.C. Anshutz, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> 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

Zachary J.C. Anshutz, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

**Certificate of Service**

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing **Summary Order** and accompanying **Notice of Rights** on this 29th day of March 2011, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

David Roy Deases, Jr.  
9939 Fredricksburg Rd., Apt 1217  
San Antonio, TX 78240-4155

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