

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

In the Matter of the Kansas Resident)	
Insurance Agent's License of)	
STEVEN S. HENRY)	
NPN #4906243)	
and Liberty Benefit Plans, Inc.)	Docket No. 4226--SO
# 421712409-000,)	
and Liberty Benefit Plans,)	
a Sole Proprietorship,)	
# 481216428-000.)	

CONSENT AGREEMENT AND FINAL ORDER

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-103 and in accordance with K.S.A. 40-4901 *et seq.*, and K.S.A. 77-501 *et seq.*, the Commissioner hereby accepts the stipulations of the parties and imposes sanctions against the Kansas resident insurance agent's license of Steven S. Henry ("Respondent") and the Kansas resident insurance agency licenses of Liberty Benefit Plans, Inc. ("the corporation" or "Respondent Corporation") and Liberty Benefit Plans, a sole proprietorship ("the agency" or "Respondent Agency") (the agencies collectively, "Respondent Agencies"). This Consent Agreement shall become effective as a Final Order, without further notice when signed by the Commissioner or her designee and filed of record with the Kansas Insurance Department ("KID").

Findings of Fact

1. Respondent is licensed as a resident agent to transact the business of insurance in Kansas and has been so licensed since June 30, 1999.
2. Respondent's legal and mailing address is 9140 York Lane, Haysville, KS 67060.

3. Respondent Agency is licensed as a resident agency to transact the business of insurance in Kansas and has been so licensed since July 26, 2004.
4. The agency's legal and mailing address is 9140 York Lane, Haysville, KS 67060.
5. Respondent is the licensed agent affiliated with Respondent Agency and designated to be responsible for the agency's compliance.
6. Respondent Corporation is licensed as a resident agency to transact the business of insurance in Kansas and has been so licensed since September 14, 2009.
7. KID records reflect that Respondent Corporation's legal address is 505 S. Broadway, Wichita, Kansas, and Respondent Corporation's mailing address is PO Box 3801, Wichita, KS 67201-3801.
8. Respondent Agent is the licensed agent designated to be responsible for the insurance agency's compliance.
9. The conduct of Respondent is indistinguishable from that of the Respondent Agencies.
10. C.F. was employed by Respondent Corporation as a telemarketer.
11. During July and August 2009, four paychecks for a total of \$876.55 were drawn on accounts belonging to Respondent Corporation and issued to C.F. The checks were returned for insufficient funds.
12. C.F. filed a wage claim with the Kansas Department of Labor ("DOL").
13. Respondent acknowledged to C.F. in writing that he owed her wages and stated he expected to have her fully paid by mid-March.
14. Respondents did not appear for a DOL hearing on April 8, 2010, and an order was entered against them for the unpaid wages plus a penalty and interest.

15. As of July 21, 2010, the wages, penalty, and interest remained unpaid.
16. Respondent has now paid \$1500 and continues to make payments on the obligation.
17. Respondent has had the advice of counsel, James P. Rupper, and understands his right to have a hearing on the facts and disposition and to seek review of any adverse order in this matter.
18. Respondent expressly waives hearing and stipulates that sufficient evidence exists to support action against his license and the license of each Respondent Agency.
19. Respondent further waives administrative and judicial review.
20. Respondent agrees to the following limitations on his license:
 - a. Until renewal of his license in December 2012, Respondent will engage in the business of insurance only as agreed in writing with a Kansas licensed agent who will supervise and mentor Respondent and agree to report acts and omissions as would be required of a company or its agents pursuant to K.S.A. 40-4913.
 - b. Until renewal of his license in December 2012, Respondent shall limit his business to representing only the insurers that have also appointed an agent who has agreed in writing to supervise Respondent as provided in subparagraph a of this section.
 - c. At the time of signing this agreement, Respondent will submit to KID a written agreement with at least one Kansas licensed agent who will supervise and mentor Respondent, meet at least weekly with Respondent to review sales practices, record-keeping, and financial status of Respondent's business, and

report acts and omissions as would be required of a company pursuant to K.S.A. 40-4913.

d. Until renewal of his license in December 2012, if Respondent represents additional companies, Respondent will submit to KID's Producer Licensing Division a copy of a written agreement for supervision by an appointed agent of each company within thirty (30) days of the effective date of this order for existing appointments and within seven (7) days of appointment by additional companies.

e. Until renewal of his license in December 2012, Respondent will provide a copy of this agreement and order and an agreement for supervision to any company by which he is appointed as an agent. Further, Respondent will return to KID a written receipt of the documents by a representative of the company within thirty (30) days of the effective date of this order for existing appointments and within seven (7) days of appointment by additional companies.

f. Until renewal of his license in December 2012, Respondent will not employ individuals or sub-agents to assist him with his insurance business.

g. Prior to renewal of his license in December 2012, Respondent will participate in training, which shall be preapproved by the Commissioner's Producer Licensing Division, in the duties and obligations of employers with respect to employees. Such training shall be in addition to continuing education required for renewal.

21. Respondent agrees that he is responsible for any costs or other obligations incurred to comply with the requirement of supervision and education.

22. Respondent further agrees that failure to comply with the provisions of this agreement and the resulting order would constitute grounds for action against his license, up to and including revocation. In the event of a failure to comply, Respondent would be entitled to a hearing pursuant to the Kansas Administrative Procedure Act, K.S.A. 77-501 *et seq.*, but the only fact at issue would be whether Respondent failed to comply with the terms of the agreement and order.

23. KID agrees to take no further action against Respondent for the conduct described herein if Respondent successfully satisfies the requirements of this agreement and order.

24. Notwithstanding the agreement stated in the previous paragraph, KID reserves the right to consider the existence of this agreement and its stipulated facts in the event of future acts and/or omissions of a similar character.

25. Although the Insurance Agents Licensing Act does not expressly grant the Commissioner authority to impose limitations on an insurance agent's license, the parties agree that the Commissioner may do so with the consent of the licensee.

26. Respondent acknowledges that this agreement and order will constitute a public record and a reportable action against Respondent's license.

Applicable Law

27. 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 . . .

(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." K.S.A. 40-4909(a).

28. 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).

29. In lieu of taking action under subsection (a), the Commissioner may censure the licensee or impose a monetary penalty.

Conclusions of Law

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

31. Based on the undisputed facts, the Commissioner finds that the licenses of Respondent and Respondent Agencies may be revoked or suspended pursuant to K.S.A. 40-4909(a)(8) because Respondent, doing business on behalf of the entities, has demonstrated untrustworthiness and financial irresponsibility in the conduct of business.

32. The Commissioner concludes that Respondent regrets and accepts responsibility for his misconduct, and thus, Respondent, insurers, and the insurable interests of the public would benefit from remedial measures rather than revocation of Respondent's license.

Stipulation

The undersigned stipulates and agrees to the foregoing findings of fact and conclusions of law and waives his rights to administrative hearing and judicial review of the Commissioner’s Order.

_____/s/ Steven S. Henry_____ 1-10-11_____
Steven S. Henry Date
Respondent and Responsible Agent for
Respondent Agencies

Agreement

I hereby agree to serve as a mentor and supervisor to Respondent Steven S. Henry, meet with Respondent at least weekly to review sales practices, record-keeping, and financial status of Respondent’s insurance business, and report to the Kansas Insurance Department promptly any act or omission that would be grounds for action against Respondent’s license pursuant to K.S.A. 40-4909(a), whether or not it results in termination of the business relationship, subject to the same obligations, confidentiality, and immunity as provided by K.S.A. 40-4913.

_____/s/ Robert Gelzat_____
Robert Gelszat
District Sales Coordinator, AFLAC
3985 E. Harry
Wichita, KS 67218
316.734.0129

Prepared by:

Approved by:

_____/s/ Brenda J. Clary_____
Brenda J. Clary
KID Staff Attorney

_____/s/ James P. Rupper_____
James P. Rupper
Attorney for Respondent

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agency licenses of Liberty Benefit Plans and Liberty Benefit Plans, Inc., are hereby revoked, and the Kansas resident insurance agent's license of **Steven S. Henry is hereby limited until the December 2012 renewal as agreed in paragraph 22.** From and after the date of this order, Steven S. Henry shall engage in the business of insurance only as currently licensed and authorized by this order.

IT IS SO ORDERED THIS __14th__ DAY OF JANUARY 2011, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_____/s/ Sandy Praeger_____
Sandy Praeger
Commissioner of Insurance

BY:

_____/s/ Robert M. Tomlinson_____
Robert M Tomlinson
Assistant Commissioner of Insurance
Presiding Officer

NOTICE

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 served a true and correct copy of the above and foregoing **Consent Agreement and Final Order** and accompanying **Notice** on this ___14th___ day of January 2011, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Steven S. Henry
Liberty Benefit Plans, Inc.
& Liberty Benefit Plans
c/o James P. Rupper
Powell, Brewer & Reddick. LLP
727 N. Waco, Suite 560
Wichita, KS 67203

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