

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

In the Matter of the Kansas Nonresident )  
Insurance Agent’s License of ) Docket No. **4501--SO**  
**DAVID C. JOHNSON** )  
NPN 16112352. )

**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 C. Johnson (“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 on July 11, 2011, Respondent was issued a license as a nonresident agent to transact the business of insurance in Kansas and remains so licensed.
2. Respondent’s legal address is in Miamisburg, Ohio, and his mailing address of record is 9550 Copper Creek Court, Miamisburg, OH 45342.
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’s license application disclosed a 1989 conviction of felony theft and included consent, pursuant to 18 U.S.C. §1033 by his home state to engage in the business of insurance notwithstanding the conviction.
6. On or about August 9, 2011, the state of Alabama issued Respondent a license pursuant to a consent order citing his criminal history.
7. On or about January 6, 2012, the state of Missouri denied Respondent’s application for a license because of his criminal history.

8. On or about January 25, 2012, the state of Virginia revoked Respondent's license for failure to report another state's action.
9. On or about April 24, 2012, the state of Maine revoked Respondent's license for failure to report another state's action.
10. To date, Respondent has reported none of these actions to KID.
11. By letter of September 7, 2012, addressed to Respondent at his mailing address of record, counsel for KID invited Respondent to reply if any of the foregoing facts were incorrect.
12. To date, Respondent has not replied, and the letter has not been returned; thus, the facts are deemed undisputed.

### **Applicable Law**

13. K.S.A. 2011 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; . . .

(9) Had an insurance agent license, or its equivalent, denied, suspended or revoked in any other state, district or territory.” K.S.A. 2011 Supp. 40-4909(a).
14. “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 . . .” K.A.R. §40-7-9.
15. 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. 2011 Supp. 40-4909(b).

### **Conclusions of Law**

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

17. The Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(2)(A) because Respondent has failed to report disciplinary actions by the insurance regulatory agencies of multiple other states.

18. The Commissioner further finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(9) for having had his insurance agent licenses denied or revoked in multiple other states.

19. 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).

20. 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.

21. 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.

#### **Policy to be Served**

22. Before issuing an insurance agent license, the Commissioner must determine that the applicant is qualified and has not committed any act that would be grounds for denial, suspension, or revocation. K.S.A. 40-4905(b). Further, 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 the license. The following action is necessary and appropriate to promote the security and integrity of the insurance business and protect insurance consumers by licensing, or continuing to license, persons or entities to sell, solicit, or negotiate insurance in the State of Kansas only if their conduct indicates they are both qualified and trustworthy.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT** the Kansas nonresident insurance agent's license of **DAVID C. JOHNSON** is hereby **REVOKED**. **It is further ordered**, that **DAVID C. JOHNSON** shall **CEASE and DESIST** from the sale, solicitation, or negotiation of insurance, doing any act toward the sale, solicitation, or negotiation of insurance, and/or receiving compensation deriving from the sale, solicitation, or negotiation of insurance in Kansas or on Kansas risks through business conducted on and after the effective date of this order.

**It is further ordered**, pursuant to KSA 77-415(b)(2)(A), that this order is designated by KID as precedent.

**IT IS SO ORDERED THIS \_\_2nd\_\_ DAY OF OCTOBER 2012, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



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

BY:

\_\_\_\_\_  
/s/ Zachary J.C. Anshuta  
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 \_\_\_2nd\_\_\_ day of October 2012, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

David C. Johnson  
9550 Copper Creek Ct.  
Miamisburg, OH 45342

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