

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

In the Matter of the Kansas Resident )  
Insurance Agent's License of )  
**LARRY W. ISLEY,** ) Docket No. **4648--SO**  
NPN 4883984. )

**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 resident insurance agent's license of Larry W. Isley ("Respondent") by way of Summary Order as provided by K.S.A. 77-537.

**Findings of Fact**

1. 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 Respondent.
2. Following investigation, the Commissioner finds evidence sufficient to support the following facts:
3. Respondent was a resident of Missouri at the time he applied for a Kansas license on February 2, 2001, and was granted a Kansas nonresident license based on reciprocity.
4. On or about January 23, 2008, Respondent reported a move to Kansas, and the license was converted to a resident license, and the resident license remains active to date.
5. Respondent's previous legal and mailing address of record was on Antioch Road in Overland Park, Kansas.
6. By order of the court filed January 21, 2014, in Johnson County, Kansas, District Court case number 13LA11392, judgment was entered against Respondent and his spouse for over \$10,000 plus interest and costs, and the plaintiff landlord was granted possession of the residence.

7. When the sheriff attempted to serve the writ of restitution on February 3, 2014, the residence was no longer occupied, and the writ was returned unserved.
8. On February 27, 2014, KID staff contacted Respondent by telephone to obtain a current mailing address, and Respondent provided a temporary address of 13721 Sagamore, Apartment 38, Overland Park, KS 66224.
9. Prior to that call, Respondent had not reported a change of address.
10. Johnson County, Kansas, and Missouri court records reflect that Respondent has been a defendant in at least 15 other landlord-tenant or collections actions dating back to 1989, and in multiple cases, judgment has been entered against him.
11. In case number 08AO-CR-1003, in Jasper County Missouri Circuit Court, Respondent was charged with felony theft.
12. On November 19, 2008, Respondent was convicted on a reduced charge of misdemeanor theft pursuant to a plea agreement.
13. Respondent was released unsuccessfully from probation on November 18, 2009.
14. Respondent did not report the conviction to KID within 30 days as required by K.A.R. §40-7-9(d) and has not reported it to date.
15. Respondent was previously licensed as a Missouri insurance producer, but that license was suspended for “tax compliance,” and on August 16, 2010, it was cancelled.
16. Respondent did not report that action within 30 days as required by K.A.R. §40-7-9(a) and has not reported it to date.
17. By letter dated February 27, 2014, counsel for KID summarized the foregoing facts and invited Respondent to reply by the close of business on March 12, 2014, if he disputed the statements of fact.
18. To date, Respondent has not replied and the letter has not been returned; thus the facts are deemed undisputed.

#### **Applicable Law**

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

(6) Been convicted of a misdemeanor or felony. . . .

(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. 2013 Supp. 40-4909(a).

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. 2013 Supp. 40-4909(b).

21. “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; . . . (d) all details of any conviction of a misdemeanor or felony. . . .” K.A.R. §40-7-9.

22. A person whose license has been revoked or suspended may not be employed directly or indirectly by an insurance company and “may not perform any act toward the solicitation of or transaction of” insurance business. K.S.A. 2012 Supp. 40-4909(g).

23. “Any action taken under this section which affects any license or imposes any administrative penalty shall be taken only after notice and an opportunity for hearing conducted in accordance with the provisions of the Kansas administrative procedures act.” K.S.A. 2012 Supp. 40-4909(c).

### **Conclusions of Law**

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

25. The Commissioner finds that Respondent violated K.A.R. §40-7-9(a), a regulation promulgated under authority of chapter 40 of the Kansas Statutes Annotated, by failing to report suspension and cancellation of his Missouri license within 30 days of the occurrence.

26. The Commissioner finds that Respondent violated K.A.R. §40-7-9(d), a regulation promulgated under authority of chapter 40 of the Kansas Statutes Annotated, by failing to report his November 19, 2008, conviction within 30 days of the occurrence.

27. The Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(6) because Respondent has been convicted of a misdemeanor, and further, that the crime of theft is a crime of dishonesty and, thus, particularly relevant and material to Respondent's fitness to hold a license.

28. The Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(2)(C) and K.S.A. 40-4909(9) because Missouri suspended, and later cancelled, Respondent's Missouri license for violation of Missouri law.

29. The Commissioner finds that Respondent's license may be, and should be, revoked pursuant to K.S.A. 40-4909(a)(8) because Respondent has repeatedly demonstrated a lack of honesty, competence, and trustworthiness with respect to the requirements of obtaining and maintaining his Kansas insurance agent license and has repeatedly demonstrated financial irresponsibility.

30. Further, the Commissioner concludes that Respondent's license may be revoked pursuant to K.S.A. 40-4909(b) because it is not serving the interests of insurers or the insurable interests of the public.

31. 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**

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 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.

**THE COMMISSIONER OF INSURANCE THEREFORE ORDERS** that the Kansas resident insurance agent's license of **LARRY W. ISLEY** is hereby **REVOKED**, and **LARRY W. ISLEY** 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 \_\_\_21st\_\_\_ DAY OF MARCH 2014, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



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

BY:

\_\_\_\_\_  
/s/ John Wine  
John Wine  
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 Wine, 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

John Wine, 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   21st   day of March 2014 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Larry W. Isley  
13721 Sagamore, Apt. 38  
Overland Park, KS 66224

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