

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

In the Matter of the Kansas Nonresident )  
Insurance Agent’s License of )  
**KENNETH ALAN RICE,** ) Docket No. **4731--SO**  
NPN 16646705. )

**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 KENNETH ALAN RICE (“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 licensed as a Kansas nonresident insurance agent on July 20, 2012, and has been continuously so licensed to date.
4. Respondent’s legal and mailing address of record is 2422 Severn Ln., Dayton, OH 45459-6616.
5. Respondent was appointed as an agent of one or more MetLife companies from July 2012 until December 24, 2014, when the appointments with Metropolitan Casualty Insurance Company, Metropolitan Group Property and Casualty Insurance Company, and Metropolitan Property and Casualty Insurance Company were terminated for cause.
6. MetLife reports that Respondent was put on final warning in August 2014 for not creating inquiries and for improperly applying discounts.
7. A MetLife policy review reflected that Respondent later sold an auto policy with a dental discount that was not applicable and sold two policies with life discounts that did not apply.
8. By letter dated January 9, 2015, and mailed to Respondent at 2433 Severn Lane, Dayton, OH 45459-6616, counsel for KID summarized the foregoing facts and invited Respondent to reply by January 23 if he disputed the foregoing statements of fact.
9. Respondent did not reply, and despite the fact that the letter was addressed to the wrong house number, the letter had not been returned by January 23.

10. On January 23, 2015, counsel for KID mailed the same letter to Respondent at 2422 Severn Lane, Dayton, OH 45459-6616, and invited Respondent to reply by February 6, 2015, if he disputed the statements of fact.

11. To date, Respondent has not replied, and the letter has not been returned; thus, the facts are deemed undisputed.

#### **Applicable Law**

12. 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: . . .

(7) Admitted to or been found to have committed any insurance unfair trade practice or fraud in violation of K.S.A. 40-2404, and amendments thereto.

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

13. “Making false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money or other benefit from any insurer, agent, broker or individual” is an insurance unfair trade practice. K.S.A. 2013 Supp. 40-2404(11).

14. 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).

15. 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 in Kansas. K.S.A. 2013 Supp. 40-4909(g).

16. “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. 2013 Supp. 40-4909(c).

#### **Conclusions of Law**

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

18. The Commissioner finds from the undisputed facts that Respondent’s license may be revoked pursuant to K.S.A. 40-4909(a)(7) because Respondent has made false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money or other benefit

from any insurer, agent, broker or individual, which is an insurance unfair trade practice as defined by K.S.A. 40-2404(11).

19. The Commissioner finds from the same facts that Respondent's license may also be revoked pursuant to K.S.A. 40-4909(a)(8) because Respondent either used fraudulent or dishonest practices or demonstrated incompetence in the conduct of his business.

20. Finally, 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.

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**

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) and K.S.A. 40-4906. 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. K.S.A. 40-4909(b). Thus, the Commissioner is charged 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 following action is appropriate to promote the security and integrity of the insurance business and protect insurance consumers.

**THE COMMISSIONER OF INSURANCE THEREFORE ORDERS** that the Kansas nonresident insurance agent's license of **KENNETH ALAN RICE** is hereby **REVOKED**, and **KENNETH ALAN RICE** 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 SO ORDERED THIS   9th   DAY OF FEBRUARY 2015, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



  /s/ Ken Selzer    
Ken Selzer, CPA  
Commissioner of Insurance

BY:

  /s/ Diane Minear    
Diane Minear  
Interim 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:

Diane Minear, Interim 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

Diane Minear, Interim 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   9th   day of February 2015 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Kenneth Alan Rice  
2422 Severn Ln.  
Dayton, OH 45459-6616

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