

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

In the Matter of the Kansas Nonresident            )  
Insurance Agent's License of                            )  
**DAVID A. WILLIAMS,**                                        )     Docket No. **4864--SO**  
NPN 3660345                                                 )

**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 A. WILLIAMS** ("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 granted a Kansas nonresident insurance agent license on September 11, 2000, and he remains licensed to date.
4. Respondent's legal address of record is 512 Andypaul Ct., Raymore, Missouri, and Respondent's mailing address of record is American Family Insurance, 9264 Blue Ridge Blvd., Kansas City, Missouri 64138-4060.
5. Respondent was appointed as an agent for various American Family companies until his appointments were terminated on or about January 28, 2016.
6. Respondent received three checks from or on behalf of Cross-Lines Retirement Center, Inc., Kansas City, Kansas, in August, October, and November 2015, totaling \$62,767.00, as premium for commercial insurance policies.
7. Respondent cashed the checks but did not immediately pay these funds over to the insurance company.
8. Respondent made payments of varying amounts from time to time for a total of \$59,448.19.

9. Following Respondent's termination from American Family, \$3,318.81 remained outstanding, and one or more of the policies lapsed for nonpayment of premium.
10. By letter of May 5, 2016, counsel for KID invited Respondent to reply in writing by May 18 if he disputed the statements of fact set out above.
11. That letter was returned by the U.S. Postal Service on May 18, 2016, as "not deliverable as addressed and unable to forward."
12. To date, Respondent has not notified KID of a new mailing address and has not contacted KID about this matter; thus, the reported facts are deemed undisputed.

#### Applicable Law

13. 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;
    - (4) Improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business; [and/or]
    - (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. 2015 Supp. 40-4909(a).
14. K.A.R. §40-7-9 provides, in relevant part:

"Each person licensed in this state as an insurance agent shall report the following to the Commissioner of insurance within 30 days of occurrence:  
. . . (g) Each change in the name or address of the agency with which the agent is associated."

#### Conclusions of Law

15. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
16. The Commissioner finds 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 by failing to report a change of in the name or address of the agency with which he is associated, as demonstrated by mail addressed to his mailing and business address of record and returned undeliverable.
17. The Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(4) because Respondent misappropriated funds paid to him as insurance premiums.

18. The Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(8) because Respondent demonstrated financial irresponsibility by failing to immediately pay premium funds over to American Family Insurance and leaving American Family while premium remained unpaid.

19. Further, the Commissioner also finds that Respondent's license may be revoked pursuant to K.S.A. 40-4909(a)(8) because Respondent has demonstrated a lack of trustworthiness by failing to notify KID of a change in his mailing address.

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.

#### 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 with 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 resident insurance agent's license of **DAVID A. WILLIAMS** is hereby **REVOKED**, and **DAVID A. WILLIAMS** 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 16<sup>th</sup> DAY OF JUNE 2016, IN THE CITY OF TOPEKA,  
COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer, CPA  
Commissioner of Insurance

BY:

John Wine  
Assistant Commissioner

#### 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, 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, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

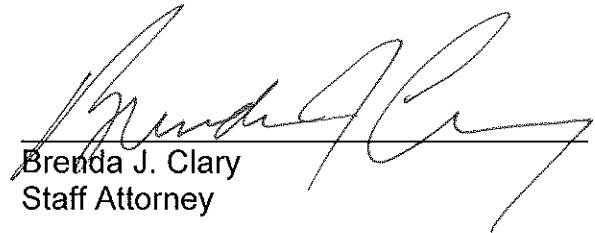
**Certificate of Service**

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 16<sup>th</sup> day of June 2016 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

David A. Williams  
American Family Insurance  
9264 Blue Ridge Blvd.  
Kansas City, MO 64138-4060

And an additional copy addressed as follows:

David A. Williams  
512 Andypaul Ct.  
Raymore, Missouri 64083

  
Brenda J. Clary  
Staff Attorney