

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

In the Matter of the Kansas Title)	
Insurance Agency License of)	Docket No. 73675
American Freedom Assurance, Inc.)	
License No. 204818169)	

SUMMARY ORDER

(Pursuant to K.S.A. 40-4909, K.S.A. 40-2407, and K.S.A. 77-501 *et seq.*)

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 40-4909, and K.S.A. 40-2407, the Commissioner hereby revokes the agency license of Respondent, American Freedom Assurance, Inc. (“Respondent”). This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

Findings of Fact

The Commissioner finds the following facts:

1. Respondent was licensed as a Kansas non-resident title insurance agency on September 11, 2007, and remains licensed to date.
2. Respondent’s legal and mailing address of record is 501 Village at Eland, Phoenixville, PA 19460.
3. On or about April 10, 2018, the Kansas Insurance Department (“KID”) received notice of cancellation of bond for Respondent, effective May 22, 2018.
4. On April 13, 2018, KID sent a letter to Respondent notifying it of receipt of the bond cancellation and requesting a new bond or letter of credit on behalf of the agency.
5. No new bond, letter of credit, or response was received before expiration of the old bond.

6. On October 12, 2018, KID sent a formal letter to Respondent reminding it of outstanding requirements, and notifying it of potential license revocation for failure to comply.
7. As of the date of this Order, Respondent has not provided a new bond or letter of credit, or responded to KID to contest the findings.

Applicable Law

1. **K.S.A. 40-4909. Same; suspension, denial of, revocation or refusal to renew license; grounds; hearing; powers of commissioner.**

(a) 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.

(d) The license of any business entity may be suspended, revoked or refused renewal if the insurance commissioner finds that any violation committed by an individual licensee employed by or acting on behalf of such business entity was known by or should have been known by one or more of the partners, officers or managers acting on behalf of the business entity and:

(1) Such violation was not reported to the insurance commissioner by such business entity; or

(2) such business entity failed to take any corrective action.

2. **K.S.A. 40-1139. Same; financial responsibility requirements.** (a) The title insurance agent who handles escrow, settlement or closing accounts shall file with the commissioner a surety bond or irrevocable letter of credit in a form acceptable to the

commissioner, issued by an insurance company or financial institution authorized to conduct business in this state, securing the applicant's or the title insurance agent's faithful performance of all duties and obligations set out in K.S.A. 40-1135 through 40-1141, and amendments thereto.

3. **40-2407. Same; cease and desist orders; penalties; suspension or revocation of license; restitution; modification of order.**

(a) If, after such hearing, the commissioner shall determine that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, the commissioner shall render an order requiring such person to cease and desist from engaging in such method of competition, act or practice and if the act or practice is a violation of K.S.A. 40-2404, and amendments thereto, the commissioner may in the exercise of discretion order any one or more of the following: ...

(2) suspension or revocation of the person's license if such person knew or reasonably should have known such person was in violation of this act...

Conclusions of Law

1. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
2. The Commissioner finds that Respondent's Kansas license may be revoked because it has failed to comply with statutory requirements to maintain a surety bond or letter of credit.
3. Accordingly, the Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of **American Freedom Assurance, Inc.**, pursuant to K.S.A. 40-4909, K.S.A. 40-1139, and K.S.A. 40-2407.

Orders

Based on the Findings of Fact, Applicable Law, and conclusions cited above, **THE COMMISSIONER OF INSURANCE THEREFORE ORDERS THAT:**

1. The Kansas nonresident Insurance Agent's License of **American Freedom Assurance, Inc.** is hereby **REVOKED** the effective date of this Order.
2. **IT IS FURTHER ORDERED** that **American Freedom Assurance, Inc.** shall **CEASE** and **DESIST** from the sale, solicitation or negotiation of insurance and/or receiving compensation deriving from the sale, solicitation or negotiation of insurance conducted after the effective date of this Order.

IT IS SO ORDERED THIS 20th DAY OF NOVEMBER, 2018, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer, CPA
Commissioner of Insurance

BY:

Diane Minear
Diane Minear
General Counsel

NOTICE AND OPPORTUNITY FOR HEARING

American Freedom Assurance, Inc., within fifteen (15) days of service of this Summary Order, may file with the Kansas Insurance Department a written request for hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent/agency who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period for requesting a hearing. The Final Order will constitute final agency action in the matter.

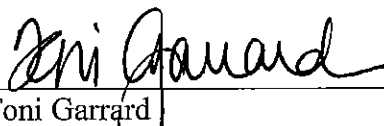
In the event the Respondent files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the Kansas Insurance Department is:

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th St.
Topeka, Kansas 66612

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he served the above and foregoing Summary Order on this 20th day of November, 2018, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

American Freedom Assurance, Inc.
501 Village at Eland
Phoenixville, PA 19460



Toni Garrard
Senior Administrative Assistant