

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

In the Matter of the Kansas Nonresident)
Insurance Agent's License of) Docket No. 74611
JONATHAN A. SCHLUE)
NPN: # 16841833)

SUMMARY ORDER
(Pursuant to K.S.A. 40-4909, K.S.A. 77-501)

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909, the Commissioner hereby revokes the Kansas nonresident agent's license of Respondent, **JONATHAN A. SCHLUE** ("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

1. Respondent was licensed as a Kansas nonresident insurance agent on February 25, 2016 and remains licensed to date.
2. Respondent's legal (residential) address of record is listed as [REDACTED], Davenport, IA [REDACTED].
3. The Chesapeake Life Insurance Company ("Chesapeake") notified the Kansas Insurance Department ("KID") that it terminated Respondent for cause due to suspected fraud on May 9, 2018.
4. Chesapeake's investigation found that Respondent misrepresented identifying and contact information in the applications for several consumers for a period of time between January 2016 and May 2017.
5. Specifically, Respondent filled out applications for coverage for D.H., J.T., G.Y., R.W., C.K., K.D., T.C., A.D., A.M., and D.D., all Kansas residents, without their knowledge or consent.
6. Additionally, Respondent submitted applications for persons that did not exist.
7. On May 29, 2019, Respondent was charged with the following in Scott County District Court (IA):
 - a. Four counts of Fraudulent Sales Practices (Felony)

- b. Two counts of Fraudulent Submissions (Felony)
- c. Two counts of Conspiracy to Commit a Non-forcible Felony (Felony)
- d. Ongoing Criminal Conduct (Felony)
- e. Theft-Second Degree (Felony)

Applicable Law

- Pursuant to K.S.A. 40-4909(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:
 - (C) any insurance law or regulation of another state;
 - (5) Intentionally misrepresented the provisions, terms and conditions of an actual or proposed insurance contract or application for insurance.
 - (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.
 - (10) Forged another person's name to an application for insurance or to any document related to an insurance transaction.” K.S.A. 40-4909(a)
- Pursuant to K.S.A. 40-4909(b), “The commissioner may suspend, revoke or refuse renewal of any license issued under this 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. 40-4909(b)

Policy Reasons

1. It is in the public interest that the license of an agent who has demonstrated fraudulent conduct or that he or she has forged another person’s name to an application for insurance or to any document related to an insurance transaction be revoked.
2. It is in the public interest that the license of an agent who has intentionally misrepresented the provisions, terms and conditions of an actual or proposed insurance contract or application for insurance be revoked.

3. The interests of the public are not properly served under the license of an agent who has committed fraudulent practices in the business of insurance.
4. The interests of the public are not properly served under the license of an agent who has been charged with felonies related to the insurance business.

Conclusions of Law

1. The Commissioner has jurisdiction over **JONATHAN A. SCHLUE** 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 **JONATHAN A. SCHLUE** has forged another person's name to any document related to an insurance transaction.
3. The Commissioner finds that Respondent's Kansas license may be revoked because **JONATHAN A. SCHLUE** has used fraudulent practices in the conduct of business in Kansas and elsewhere.
4. The Commissioner finds that Respondent's Kansas license may be revoked because **JONATHAN A. SCHLUE** intentionally misrepresented the provisions, terms and conditions of an actual or proposed insurance contract or application for insurance.
5. The Commissioner finds, pursuant to K.S.A. 40-4909(b), that the interests of the public are not properly served under Respondent's license.
6. Accordingly, the Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of **JONATHAN A. SCHLUE**, pursuant to K.S.A. 40-4909(a) and (b).

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:


1. The Kansas Nonresident Insurance Agent's License of **JONATHAN A. SCHLUE** is hereby **REVOKED** the effective date of this Order.
2. **IT IS FURTHER ORDERED** that **JONATHAN A. SCHLUE** 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 5th DAY OF June, 2018, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Vicki Schmidt
Commissioner of Insurance

BY:


Justin L. McFarland
General Counsel

NOTICE AND OPPORTUNITY FOR HEARING

JONATHAN SCHLUE, 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:

Justin L. McFarland, 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:

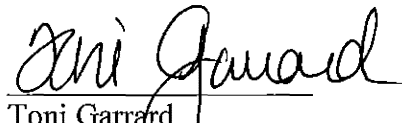
Justin L. McFarland, General Counsel
Kansas Insurance Department
420 S.W. 9th St.
Topeka, Kansas 66612

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the above and foregoing Summary Order on this 5th day of June, 2019, by causing the same to be deposited in the United States Mail, certified first class postage prepaid, addressed to the following:

Jonathan Schlue

[REDACTED]
Davenport, IA [REDACTED]


Toni Garrard
Senior Administrative Assistant