

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

**In the Matter of the Kansas Nonresident)
Insurance Producer's License of)
NATHAN COSBY)
NPN # 17584208)**

Docket No. 102536

**SUMMARY ORDER
REFUSAL TO RENEW AND REVOCATION
(Pursuant to K.S.A. 40-4909 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. 77-501 *et seq.*, the Commissioner hereby **REVOKES** and **REFUSES RENEWAL OF** the Kansas nonresident insurance producer's license of **NATHAN COSBY** ("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 a hearing is made.

Findings of Fact

1. Respondent was licensed as a Kansas nonresident insurance producer on June 23, 2021, and his license expired August 31, 2023.
2. Respondent's address of record listed on his renewal application is [REDACTED] Tulsa, OK [REDACTED]
3. On July 18, 2023, Respondent submitted a Kansas nonresident insurance producer license renewal application ("Application") to the Kansas Insurance Department ("Department").
4. Respondent answered "No" to Question 2 of the Background Questions on the Application which asks, "Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this Department?"

5. Upon the Department's review of the of the renewal application, it was determined that Respondent did not report any administrative actions against his insurance producer license which had also not been previously disclosed to the Department. A review of Respondent's insurance producer file and Reporting of Actions through the NIPR Attachments Warehouse revealed that none of the ten (10) administrative actions Respondent was involved in and that were reported through Regulatory Information Retrieval System ("RIRS") had been reported within 30 days to the Department as required.

6. According to RIRS, as detailed on State's Exhibit 1, Respondent received many administrative actions as a result of an investigation by the Oklahoma Department of Insurance, Respondent's home state. The basis for these administrative actions included demonstrating a lack of fitness or trustworthiness, other state action and failure to report other state action. As demonstrated by State's Exhibit 1, the administrative actions consisted of denials, revocations and suspensions of the Respondent's insurance producer license.

7. The investigation by the Oklahoma Department of Insurance revealed that the Respondent had knowingly entered fictitious driver's license numbers on auto policy applications while working for Allstate Insurance Company. In an interview with the Oklahoma Insurance Department, the Respondent admitted to this practice as well as providing that information to Allstate in order to be able to bind the policies. These fraudulent acts occurred between 2016 and 2018 and involved at least 47 insurance policies. As a result of this investigation, the Respondent was fined \$750.00 by the Oklahoma Insurance Department and his resident insurance producer license was suspended for three months from October 15, 2020, to January 15, 2021. This matter is reflected in the Agreed Order between the Respondent and the Oklahoma Insurance Department.

8. The information reviewed by the Department and the nature of the conduct underlying the administrative actions indicate that the insurable interests of the public are no longer served by the Respondent's license.

Applicable Law

K.S.A. 40-4909(a)(2)(A) provides:

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 violated any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rules and regulations promulgated thereunder.

K.S.A. 40-4905(f)(1)(A)/K.A.R. 40-7-9(a) provides:

Each person or entity licensed in this state as an insurance agent shall report the following to the commissioner within 30 calendar days of occurrence: 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.

K.S.A. 40-4909(a)(2)(C) provides:

The Commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the Commissioner finds that Respondent has violated any insurance law or regulation of another state.

K.S.A. 40-4909(a)(8) provides:

The Commissioner may deny, suspend, revoke or refuse renewal of an insurance producer's license upon finding that Respondent has 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. 40-4909(a)(9) provides:

The Commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the Commissioner finds that Respondent has had an insurance agent license, or its equivalent, denied, suspended or revoked in any state, district or territory.

K.S.A. 40-4909(b) provides:

The Commissioner may deny, 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.

Policy Reasons

1. It is in the public interest that the license of a producer who has violated any provision of Chapter 40 of the Kansas Statutes Annotated or accompanying rules or regulations, by failing to timely report to the Department disciplinary actions, be refused renewal and revoked.
2. It is in the public interest that the license of a producer who has violated any insurance law or regulation of another state be refused renewal and revoked.
3. It is in the public interest that the license of a producer who has used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business be refused renewal and revoked.
4. It is in the public interest that the license of a producer who has been subject to disciplinary actions which resulted in a denial, suspension or revocation of his insurance license to be refused renewal and revoked.
5. The insurable interests of the public are not properly served under such license and the license of the producer be refused renewal and revoked.

Conclusions of Law

1. The Commissioner has jurisdiction over **NATHAN COSBY** as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
2. Pursuant to K.S.A. 40-4909(a) and (b), the Commissioner concludes that sufficient grounds exist for the refused renewal and revocation of the Kansas nonresident insurance producer's license of **NATHAN COSBY**.
3. Pursuant to K.S.A. 40-4909(b), the Commissioner finds that the insurable interests of the public are no longer properly served under the Kansas nonresident insurance producer's license of **NATHAN COSBY**.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE
THAT:**

1. The Kansas nonresident insurance producer's license of **NATHAN COSBY** is hereby **REFUSED RENEWAL** the effective date of this Order.
2. The Kansas nonresident insurance producer's license of **NATHAN COSBY** is hereby **REVOKED** the effective date of this Order.
3. **IT IS FURTHER ORDERD** that **NATHAN COSBY** shall **CEASE** and **DESIST** from the sale, solicitation or negotiation of insurance in Kansas and/or receiving compensation deriving from the sale, solicitation or negotiation of insurance in Kansas conducted after the effective date of this Order.

IT IS SO ORDERED THIS 26th **DAY OF** September **2023, 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

NATHAN COSBY, within fifteen (15) days of service (plus 3 additional days for mailing) of this Summary Order, you 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:

Mindy Forrer
Kansas Insurance Department
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Or via email to: mindy.forrer@ks.gov

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the producer/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 (plus 3 additional days for mailing) for requesting a hearing. The Final Order will constitute final agency action on the matter.

In the event the Respondent files a petition for judicial review with the District Court, 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
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Pursuant to K.S.A. 77-607 and 77-612, exhaustion of administrative remedies is a jurisdictional prerequisite to seeking judicial review.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the above-and-foregoing Summary Order of Revocation on this 20th day of September 2023, by causing the same to be deposited in the United States Mail, certified, addressed to the following:


Nathan Cosby

[REDACTED]

Tulsa, OK [REDACTED]

And via email to:

[REDACTED]



Sarah Cowan
Legal Assistant