

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

**In the Matter of the Kansas Nonresident)
Insurance Producer's License of)
GUADALUPE VILLARREAL)
NPN # 20077378)**

Docket No. 113026

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 **REFUSES RENEWAL and REVOKES** the Kansas nonresident insurance producer's license of **GUADALUPE VILLARREAL** ("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 October 6, 2021, and expires January 10, 2025. Respondent's expiration date will be extended pending this action.
2. Respondent's address of record on file with the Department is [REDACTED], San Benito, TX 78586.
3. On or about September 29, 2021, Respondent submitted their initial application for a Kansas nonresident insurance producer license renewal application ("Application") to the Kansas Department of Insurance ("Department").

4. On the initial application, Respondent answered “Yes” to Question 1b of the Background Questions on the Application which asks, “Have you been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony?”

5. In response to the affirmative answer to Question 1b, on or about September 28, 2021, the Respondent uploaded documents relevant to a 1999 drug charge. Respondent submitted a written statement of the circumstances, as required by the application, which only described this charge. Specifically, Respondent was convicted of Possession of Marijuana on or about May 27, 1999, in Kleberg County, Texas, Case Number [REDACTED]. Due to the nature of this charge and the age of the charge, the background was reviewed by the Department and the application subsequently approved.

6. On June 27, 2024, Respondent submitted a renewal application for their Kansas nonresident insurance producer license.

7. Respondent answered “No” to Question 1b of the Background Questions on the Application which asks, “Have you been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony, which has not been previously reported to this insurance department?”

8. In order to submit an application, an applicant has to certify and attest as follows, “I hereby certify that, under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.”

9. A review of the documents uploaded to the NIPR Attachments Warehouse revealed that on or about December 19, 2023, Respondent, in response to background questions for a nonresident application for another jurisdiction, attached documentation revealing an additional conviction not previously disclosed to the Department. The documents revealed the Respondent was convicted of conspiracy to conduct financial transactions - money laundering on or about May 15, 2004, U.S.D.C. Southern District of Texas, Case Number [REDACTED]. Based on the circumstances of and facts surrounding the conviction, the Department finds this to be an intentional act by the Respondent to obtain a license by misrepresenting criminal background information. This conviction should have been disclosed to the Department when Respondent submitted their initial application in 2021.

10. The Respondent uploaded a copy of the 1033 Consent/Waiver letter issued by the Texas Department of Insurance on April 28, 2023. Texas is the Respondent's home state in which she was initially licensed on or about September 22, 2021. Based on the documentation provided, the fact that the 1033 by the Texas Department of Insurance was not issued until almost two years after the license was first issued and based on other states' administrative actions, it appears that Respondent failed to disclose the federal money laundering conviction to the Texas Insurance Department as well during the resident application process and only became aware of the matter subsequently in 2023.

11. Respondent has numerous administrative/disciplinary actions against her license. These include the following actions:

- a. On May 19, 2022, the Florida Department of Financial Services issued a denial of the Respondent's insurance producer license based on her criminal background¹.
- b. On October 11, 2023, the Virginia State Corporation Commission entered into a settlement with the Respondent for the failure to make a required disclosure on an application and based on other state action. Ultimately, Virginia assessed a monetary penalty for the violation of the insurance laws of the state.
- c. On December 4, 2023, the Ohio Department of Insurance entered into a Consent Order with the Respondent for violations of the insurance laws by failing to make required disclosure on license application as well as failure to report other state action.
- d. On January 6, 2024, the North Carolina Department of Insurance entered into a settlement with the Respondent for the violation of the insurance laws of the state by failing to report other state action.
- e. On January 7, 2024, the California Department of Insurance revoked the Respondent's producer license based on a demonstration of lack of fitness and trustworthiness, a misstatement on an application based on criminal records and a felony conviction. Specifically, when the Respondent initially submitted an application to the California Department of Insurance in November of 2021, she failed to disclose the money laundering conviction. Respondent also failed to disclose the Florida and Virginia administrative/disciplinary actions properly.

¹ The Florida Department of Financial Services obtains fingerprints for ALL applicants, including nonresidents which is how they became aware of the money laundering charge when the Respondent initially applied for licensure in their state.

9. Based on the Respondent's violations of the insurance laws of other states, the providing of incorrect, untrue, misleading or incomplete information in the initial application process, the obtaining the nonresident insurance producer license by fraud or misrepresentation and the revocation of the Respondent's insurance producer license in another state indicate that the insurer's interest and insurable interests of the public are no longer served by the Respondent's license.

Applicable Law

K.S.A. 40-4909(a)(1) 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 provided incorrect, misleading, incomplete or untrue information in the license application.

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 the applicant or license holder has violated any insurance law or regulation of another state.

K.S.A. 40-4909(a)(3) 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 obtained or attempted to obtain a license under this act through misrepresentation or fraud.

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 the applicant or license holder 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 provides incorrect, misleading, incomplete or untrue information in the license application process be refused renewal and revoked.
2. It is in the public interest that the license of a producer who violates the insurance laws or regulations of other states be refused renewal and revoked.
3. It is in the public interest that the license of a producer who obtained a license by misrepresentation or fraud be refused renewal and revoked.
4. It is in the public interest that the license of a producer whose insurance producer license is revoked by another state be refused renewal and revoked.

Conclusions of Law

1. The Commissioner has jurisdiction over **GUADALUPE VILLARREAL** 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 finds that the insurable interests of the public are no longer properly served under the Kansas nonresident insurance producer's license of **GUADALUPE VILLARREAL**.
3. Pursuant to K.S.A. 40-4909(a) and (b), the Commissioner concludes that sufficient grounds exist for the refused renewal of the Kansas nonresident insurance producer's license of **GUADALUPE VILLARREAL**.
4. Pursuant to K.S.A. 40-4909(a) and (b), the Commissioner concludes that sufficient grounds exist for revocation of the Kansas nonresident insurance producer's license of **GUADALUPE VILLARREAL**.

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

1. The Kansas nonresident insurance producer's license of **GUADALUPE VILLARREAL** is hereby **REFUSED RENEWAL** the effective date of this Order.

2. The Kansas nonresident insurance producer's license of **GUADALUPE VILLARREAL** is hereby **REVOKED** the effective date of this Order.

3. **IT IS FURTHER ORDERD** that **GUADALUPE VILLARREAL** 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 11TH DAY OF FEBRUARY 2025, IN THE CITY OF
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



VICKI SCHMIDT
COMMISSIONER OF INSURANCE

BY: *Kimberley Davenport McGrail*
Kimberley Davenport McGrail
Senior Attorney

NOTICE AND OPPORTUNITY FOR HEARING

GUADALUPE VILLARREAL, within fifteen (15) days of service (plus 3 additional days for service by mail) of this Summary Order, you shall file with the Kansas Department of Insurance 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 Department of Insurance
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Or via email: 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(g). 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 (with an additional three (3) days for service by mail) period 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, 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 Department of Insurance is:

Steven A. Karrer, General Counsel
Kansas Department of Insurance
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 Refusal to Renew and Revocation on this 12th day of February 2024, by causing the same to be deposited in the United States Mail, certified, addressed to the following:

Guadalupe Villarreal
[REDACTED]
San Benito, TX 78586

And via email to:
[REDACTED]@nationwide.com



Sarah Cowan
Legal Assistant