

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

In the Matter of the Appellants for)
an Insurance Agent's License of)
Ronald E. Gordon)

Docket No. 2763-L

FINAL ORDER

INITIAL ORDER

Effective: 10-11-99

After due and proper notice, an administrative hearing was conducted on August 30, 1999, pursuant to the authority granted the Commissioner of Insurance by K.S.A. (1998 Supp.) 40-242 and the applicable provisions of the Kansas Administrative Procedure Act, K.S.A. 77-501 et seq.

Ronald E. Gordon appeared in person. The Kansas Insurance Department, was represented by JaLynn Copp, Attorney at Law.

Edward J. Gaschler was the presiding officer duly appointed by the Commissioner of Insurance in accordance with K.S.A. 77-514.

Findings of Fact

1. Ronald E. Gordon is a resident of the State of Kansas and the records of the Kansas Insurance Department indicate he has a residential address of 5135 Ash Drive, Roeland Park, Kansas 66205.
2. On January 23, 1998, Mr. Gordon was convicted of Possession of Marijuana, a misdemeanor crime. This conviction is from the Circuit Court of Clay County, Missouri.
3. On July 8, 1999, an application for a Kansas resident insurance license was signed by Mr. Gordon and submitted to the Kansas Department of Insurance.
4. On July 22, 1999, the Kansas Insurance Department denied the application for a resident insurance license. The basis for the denial was Mr. Gordon's criminal conviction and because the appellant has not completed his term of probation. Because of the criminal conviction and continuing probation, the Kansas Insurance Department determined that Mr. Gordon had not established that he was of good business reputation and worthy of a license.
5. On July 26, 1999, Mr. Gordon requested a hearing regarding the denial of his application.

Legal Authority

1. K.S.A. (1998 Supp.) 40-240 provides in part:

40-240. Application for agent's license, contents, fees; corporations and other legal entities acting as agents; reporting requirements subsequent to application, penalties for violations, documentation of application information. (a) Any person desiring as agent to engage in the insurance business, as herein set out, shall apply to the commissioner of insurance of this state, in the manner hereinafter prescribed, for an insurance agent's license, authorizing such agent to engage in and transact such business. The applicant for such license shall file with the commissioner of insurance such applicant's written application for a license authorizing the applicant to engage in the insurance business and the applicant shall make sworn answers to such interrogatories as the commissioner of insurance may require on uniform forms and supplements prepared by the commissioner. A nonrefundable fee in the amount of \$30 shall accompany such application. Such applicant, if an individual, shall establish:

. . . .

(2) that the applicant is of good business reputation and is worthy of a license.

Conclusions of Law

1. The presiding officer finds that the Kansas Insurance Department's denial of the resident insurance agent's license application is proper and appropriate.
2. Based upon Mr. Gordon's conviction and continuing probation, the action of the Kansas Insurance Department in denying the application for a resident insurance license is supported by competent evidence.
3. Mr. Gordon presented evidence that establishes his honesty and reliability. However, the term of Mr. Gordon's probation has not been completed and the Kansas Insurance Department's position that until it is completed, there exists a cloud over Mr. Gordon's business reputation is supported by the evidence.
4. The Kansas Insurance Department is charged with protecting insurance consumers. Public interest in protecting insurance consumers outweighs the desire of Ronald E. Gordon for a license to sell insurance.

IT IS THEREFORE ORDERED THAT the Kansas resident insurance agent's application of Ronald E. Gordon is hereby denied.

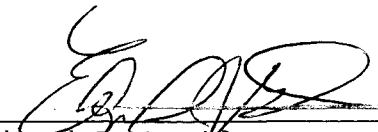
Pursuant to K.S.A. 77-527, either party may appeal this Initial Order. A petition for review must be filed within 15 days from the date of this Initial Order. Failure to timely request review may preclude further judicial review. If neither party requests a review, this Initial Order becomes final and binding on the 30th day following its mailing. Petitions for review shall be mailed or personally delivered to: Kansas Insurance Department, Commissioner of Insurance, Kathleen Sebelius, 420 S.W. 9th Street, Topeka, Kansas 66612.


Edward J. Gaschler
Presiding Officer
Office of Administrative Hearings

CERTIFICATE OF SERVICE
On 09/07/, 1998, I mailed by U.S. mail, a copy of this initial order to:

Ronald E. Gordon
5135 Ash Drive
Roeland Park, Kansas 66205

Kathleen Sebelius
Commissioner of Insurance
JaLynn Coop, Staff Attorney
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612-1678


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Presiding Officer
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