

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

In the Matter of the Application)
for an Insurance Agent's License of)
Reginald D. Hayes)

Docket No. 2761-L

FINAL ORDER

INITIAL ORDER

Effective: 9-20-99

An administrative hearing was conducted on August 11, 1999 pursuant to K.S.A. 77-501 et. seq. The Kansas Insurance Department (KID) appeared by and through JaLynn Copp, staff attorney. Reginald D. Hays appeared in person.

Carol L. Foreman was the Presiding Officer duly appointed by the Commissioner of Insurance in accordance with K.S.A. 77-514.

Findings of Fact

1. Reginald D. Hayes is a resident of Kansas who resides at 609 SW Medford, Topeka, Kansas.
2. Mr. Hayes applied for a Kansas insurance agent's license on June 21, 1999.
3. Upon receipt of the application, the Kansas Insurance Department conducted a background check on Mr. Hayes.
4. KID discovered that Mr. Hayes owed over \$12,000 in back child support as of May 3, 1999. Further, Mr. Hayes has not paid any child support since May 3, 1999.
5. Mr. Hayes' current child support obligation is \$325 per month. He owes \$250 per month for current child support plus \$75 a month for past due child support.
6. By letter dated July 12, 1999, the Kansas Insurance Department advised Mr. Hayes that his application for insurance agent's license was denied.
7. Mr. Hayes timely requested a formal hearing regarding his application for a Kansas insurance agent's license.

Legal Authority

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.

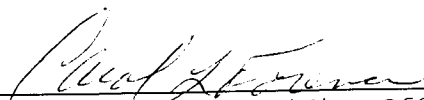
Conclusions of Law

1. The Presiding Officer finds that the Kansas Insurance Department's denial of the insurance agent's license of Mr. Hayes is supported by the evidence and as such is proper and appropriate.
2. For one to be issued an insurance agent's license in Kansas, one has to demonstrate that they are of good business reputation and worthy of a license. K.S.A. (1998 Supp) 40-240.
3. Mr. Hayes owes more than \$12,000 in back child support and has not paid any child support since June 1995.
4. Mr. Hays argues that he has only been working at low paying jobs and he has an adopted son that he is taking care of, so he was unable to pay the ordered child support. Further, that he was hoping to get his insurance agent's license so he could earn more money and pay his court ordered child support.
5. This evidence does not prove that he is of good reputation and worthy of a license at this time. It is irresponsible and certainly does not enhance one's reputation to not pay any child support for over a four year period and have over \$12,000 due in back child support. In fact this would diminish anyone's reputation. Thus, Mr. Hayes has failed to prove that he is of a good business reputation and worthy of a license at this time.

IT IS THEREFORE ORDERED THAT the Kansas Insurance Agent's License application of Reginald D. Hayes 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 it's mailing. Petitions for Review shall be mailed or personally delivered to: Kansas Insurance Department, Commissioner of Insurance, Kathleen Sebelius, 420 SW 9th St., Topeka, KS 66612.

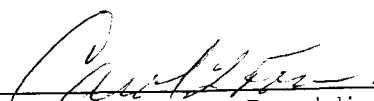

Carol L. Foreman, Presiding Officer
Office of Administrative Hearings
610 SW 10th St.
Topeka, KS 66612

CERTIFICATE OF SERVICE

On Aug 17, 1999, I mailed by U.S. mail, a copy of this initial order
to:

Reginald Hayes
609 SW Medford
Topeka, KS 66606

Kathleen Sebelius, Commissioner
JaLynn Copp, Staff Attorney
Kansas Insurance Department
420 SW 9th Street
Topeka, Kansas 66612-1678


Carol L. Foreman, Presiding Officer
Office of Administrative Hearings