

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

In the Matter of the Application for a)	
Kansas Nonresident Insurance Agent's)	Docket No. 2807-CO
License of SCOTT E. KARNs)	

CONSENT ORDER

Scott E. Karns ("Karns") wishes to resolve this matter without formal adjudicative proceedings by entering into this consent order. The Commissioner of Insurance ("Commissioner") hereby makes the following findings of fact, conclusions of law, and order, to-wit:

Findings of Fact

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Karns is a resident of the State of Ohio, has a current mailing address of 27500 Bishop Park Drive, #915, Willoughby Hills, Ohio 44092, and filed an application for a Kansas nonresident insurance agent's license which was denied.
2. The Commissioner has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.
3. On August 17, 1999, KID received Karns' application and materials for a Kansas nonresident insurance agent's license.
4. On the NAIC Midwest Zone Uniform Application for Individual Resident/Nonresident License, Karns answered "Yes" to Question C, which asks, "Have you ever been convicted of or pled nolo contendere (no contest) to any misdemeanor or felony or currently have pending misdemeanor or felony charges filed against you?"

5. On the Kansas Specific Application, Karns answered “Yes” to Question F which asks, “Have you been convicted of, or pleaded guilty or nolo contendere, to any misdemeanor or felony?”

6. On August 20, 1999, KID sent a letter to Karns requesting further details and circumstances surrounding the conviction, including, but not limited to, the name of the arresting agency, location, and approximate date of the arrest, facts and nature of the charges, the court in which the case was tried, the disposition rendered, and whether he is currently subject to probation or parole as well as a copy of the appropriate court order or judgment regarding disposition and sentencing. Karns did not respond.

7. On September 10, 1999, KID sent another letter to Karns requesting him to furnish KID with the same information as requested in the earlier letter. Karns did not respond.

8. On October 6, 1999, KID sent a letter to Karns stating that his application for a Kansas nonresident insurance agent’s license was denied based upon his application and failure to provide the additional requested information.

9. On October 8, 1999, Karns sent information to KID indicating that on April 18, 1996 he was convicted of disorderly conduct while under the influence of alcohol. He paid the fine and there was no probation.

Conclusions of Law

10. K.S.A. 1998 Supp. 40-240 provides, in relevant part:

“(a) Any person desiring as agent to engage in the insurance business...shall establish:...

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

11. Based upon the information contained in paragraphs 3 through 9 above, it appears that sufficient evidence exists for the denial of Scott E. Karns' application for a nonresident insurance agent's license pursuant to K.S.A. 1998 Supp. 40-240, in accordance with the procedures set forth in the Kansas Administrative Procedure Act, K.S.A. 77-501, et seq., as amended.

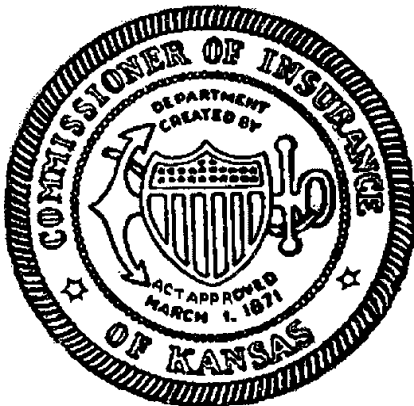
12. Scott E. Karns admits to the allegations set forth herein this order as described above.

13. For the purposes of this Consent Order, Scott E. Karns waives the right to a formal adjudicative proceeding and notice thereof and voluntarily consents to the following order of the Commissioner of Insurance.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. Scott E. Karns will be issued a Kansas nonresident insurance agent's license upon the receipt of this signed Consent Order.

IT IS ORDERED THIS 9th DAY OF DECEMBER, 1999 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_____/s/ Kathleen Sebelius_____
Kathleen Sebelius
Commissioner of Insurance

BY:

_____/s/ Kathy Greenlee_____
Kathy Greenlee
General Counsel

/s/ Scott E. Karns
Scott E. Karns

APPROVED AND SUBMITTED BY:

/s/ JaLynn Copp
JaLynn Copp
Attorney for Petitioner
Kansas Insurance Department