

## 2023 Kansas Statutes

**40-3815. Same; denial, suspension or revocation of license.** (a) The license of an administrator shall be denied, suspended or revoked if the commissioner finds that the administrator:

- (1) Is in an unsound financial condition;
- (2) is using such methods or practices in the conduct of its business so as to render its further transaction of business in this state hazardous or injurious to insured persons or the public; or
- (3) has failed to pay any judgment rendered against it in this state within 60 days after the judgment has become final.

(b) The commissioner may deny, suspend or revoke the license of an administrator if the director finds that the administrator:

- (1) Has violated any lawful rule or regulation or order of the commissioner or any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto;
- (2) has refused to be examined or to produce its accounts, records and files for examination, or if any individual responsible for the conduct of affairs of the administrator, including members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholder or member holding directly or indirectly 10% or more of the voting stock, voting securities or voting interest of the administrator and any other person who exercises control or influence over the affairs of the administrator, has refused to give information with respect to its affairs or has refused to perform any other legal obligation as to an examination, when required by the commissioner;
- (3) has, without just cause, refused to pay proper claims or perform services arising under its contracts or has, without just cause, caused covered individuals to accept less than the amount due them or caused covered individuals to employ attorneys or bring suit against the administrator to secure full payment or settlement of such claims;
- (4) fails, at any time, to meet any qualification for which issuance of the license could have been refused had the failure then existed and been known to the commissioner;
- (5) any of the individuals responsible for the conduct of its affairs, including members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholder or member holding directly or indirectly 10% or more of its voting stock, voting securities or voting interest and any other person who exercises control or influence over its affairs, has been convicted of, or has entered a plea of guilty or nolo contendere to any felony, or to a misdemeanor that evidences bad moral character, dishonesty, a lack of integrity and financial responsibility or an unfitness and inability to provide acceptable service to the consuming public without regard to whether adjudication was withheld; or
- (6) is under suspension or revocation in another state.

(c) The commissioner may, in the commissioner's discretion and without advance notice or hearing, immediately suspend the license of an administrator, if the commissioner finds that one or more of the following circumstances exist:

- (1) The administrator is insolvent or impaired;
- (2) a proceeding for receivership, conservatorship, rehabilitation or other delinquency proceeding regarding the administrator has been commenced in any state;
- (3) the financial condition or business practices of the administrator otherwise pose an imminent threat to the public health, safety or welfare of the residents of this state; or
- (4) a final order suspending or revoking the administrator's license in its home state has been entered.

(d) If the commissioner finds that one or more grounds exist for the suspension or

revocation of a license issued under the provisions of this act, the commissioner may, in lieu of or in addition to suspension or revocation, impose an administrative penalty upon the administrator pursuant to the Kansas administrative procedure act.

**History:** L. 2017, ch. 2, § 5; March 9.