

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine,)
suspend and/or revoke the insurance license) **ORDER TO SHOW CAUSE**
of Kenneth D. West, Reference No. 1066687.)

TO: Kenneth D. West
5111 Ashbrook Road
Dallas, TX 75227-1434

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Kenneth D. West (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was formerly licensed by the Department as a non-resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32(a), until July 31, 2021 when his license expired; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-1 to -57 (the “Producer Act”), the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title

17 of the Revised Statutes of Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance laws, regulation, subpoena, or order of the Commissioner or another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit, or negotiate insurance in this State unless the person is licensed for that line of authority; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3, no person shall act as insurance producer in this State without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.4, no person shall solicit, negotiate, or sell an insurance contract in this State unless they are a licensed insurance producer; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that, on or about November 13, 2018, Respondent sold a health insurance policy for New Jersey residents, "B.P.," "E.P.," "J.P.," "K.P.," and "M.P."; and

IT FURTHER APPEARING, that, on or about March 9, 2019, Respondent sold another health insurance policy for New Jersey resident M.P.; and

IT FURTHER APPEARING, that Respondent was first licensed as an insurance producer in New Jersey on October 8, 2019; and

COUNT ONE

IT FURTHER APPEARING, that Respondent sold two health insurance policies to New Jersey residents prior to becoming licensed, in violation of N.J.S.A. 17:22A-40(a)(2), N.J.S.A. 17:22A-40(a)(8), N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3, and N.J.A.C. 11:17A-1.4; and

IT FURTHER APPEARING, that each instance where Respondent sold insurance policies to New Jersey residents prior to becoming licensed constitutes a separate violation; and

NOW, THEREFORE, IT IS on this 31st day of July, 2024

ORDERED, that Respondent appear and show cause why their New Jersey insurance producer licenses should not be revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and order Respondent to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why they should not be required to reimburse the Department for the cost of the investigation and prosecution, including attorneys' fees, as authorized pursuant to N.J.S.A. 17:22A-45(c) and N.J.A.C. 11:16-7.9(c); and

IT IS PROVIDED, that Respondent have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General William E. Vaughan at: Division of Law, P.O. Box 117 Trenton, NJ 08625. The request shall contain the following:

- (a) Respondent's full name, address and daytime telephone number;
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of

this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and

- (d) A statement requesting the hearing.



Justin Zimmerman
Acting Commissioner