

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

FINAL ORDER

Effective: 03/08/03

In the Matter of the Kansas Nonresident)
Insurance Agent's License of) Docket No. 3124-SO
VITO B. GRUPPUSO and the)
Agency License of)
NATIONAL PROGRAM SERVICES, INC.)

SUMMARY ORDER

(Pursuant to K.S.A. 2001 Supp. 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2001 Supp. 40-4909, as amended by L. 2002, Ch. 158, § 21, the Commissioner hereby revokes the nonresident agent's license of Vito B. Gruppuso ("Gruppuso") and the agency license of National Program Services, Inc. ("NPS"), by way of Summary Order as provided by K.S.A. 77-537.

Findings of Fact

The Commissioner has been shown the following facts:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Gruppuso is licensed as a nonresident agent to transact the business of insurance in the State of Kansas. KID records further indicate a legal and mailing address of 36 High Meadow Lane, Basking Ridge, NJ 07920.
2. Records maintained by KID indicate that the agency, of which Gruppuso is principal owner and officer, was licensed as a nonresident agency to transact the business of insurance in the State of Kansas. KID records indicate a legal address of 240 Cedar Knolls Road, Cedar Knolls, NJ 07927, and a mailing address of 36 High Meadow Lane, Basking Ridge,

NJ 07920. KID records further indicate that the agency license was cancelled on December 23, 2002, for failure to respond to an agency status letter.

3. Virginia Surety Company, Inc., notified KID by letter dated May 17, 2002, that Gruppuso and NPS had been terminated for cause as a result of mishandling of premium funds.

4. Action has been taken against the agent license of Gruppuso and/or the agency license of NPS in the following states: New Jersey, agent and agency licenses suspended by consent order pending disposition of criminal charges against Gruppuso; Kentucky, Gruppuso's agent license revoked; and Oklahoma, Gruppuso's agent license revoked.

5. Gruppuso is charged in New Jersey with three counts of theft, each count alleging that Gruppuso failed to remit in excess of \$75,000.00 in insurance premiums.

Conclusions of Law

6. K.S.A. 2001 Supp. 40-4909(a), as amended by L. 2002, Ch. 158, § 21, provides, in relevant part:

“The commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the applicant or license holder has . . . (9) Had an insurance agent license, or its equivalent, denied, suspended or revoked in any other state, district or territory.” L. 2002, Ch. 158, § 21(a).

7. The Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the insurable interests of the public are not properly served under such license. K.S.A. 2001 Supp. 40-4909(b).

8. The Commissioner retains jurisdiction to render a decision or make a record of facts of any violation of law notwithstanding the lapse, suspension, or surrender of a license issued under the Act. K.S.A. 2001 Supp. 40-4909(e).

9. Accordingly, the Commissioner has jurisdiction over Gruppuso and the agency as well as the subject matter of this proceeding, and such proceeding is held in the public interest.

10. Having found that Gruppuso and the agency have had their licenses suspended or revoked in other states, the Commissioner concludes that sufficient grounds exist for the revocation of the nonresident insurance agent's license of Vito B. Gruppuso and the agency license of National Program Services, Inc.

11. Moreover, Gruppuso's license and the NPS agency license should be revoked pursuant to L. 2002, Ch. 158, § 21(a) for the protection of the insurable interests of the public.

12. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this matter is appropriate, in accordance with the provisions set forth in K.S.A. 77-537(a), in that the use of summary proceedings does not violate any provision of the law and the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Vito B. Gruppuso.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas nonresident insurance agent's license of Vito B. Gruppuso and the agency license of National Program Services, Inc., are hereby **REVOKED**.

Notice and Opportunity for Hearing

Vito B. Gruppuso, within fifteen (15) days of service of this Summary Order, may file with the KID written request for a hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

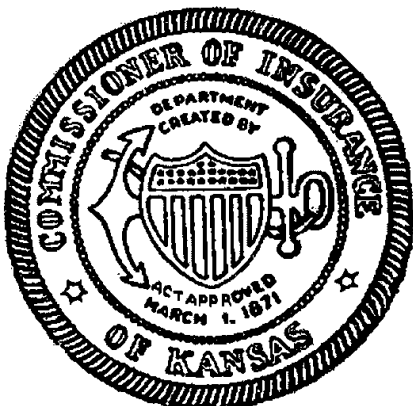
John W. Campbell
General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, KS 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent who is the subject of the hearing as provided by L. 2002, Ch. 158, § 21(f). Costs shall include witness fees, mileage allowances, any costs associated with the reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this summary order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen-day period for requesting a hearing. The Final Order constitutes final agency action in this matter. Accordingly, all administrative remedies available to the Petitioner will be deemed exhausted.

In the event the Petitioner files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the KID is John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9th St., Topeka, KS 66612-1678.

IT IS SO ORDERED THIS 18th DAY OF FEBRUARY, 2003, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger _____
Sandy Praeger
Commissioner of Insurance
BY:

/s/ John W. Campbell _____
John W. Campbell
General Counsel

Certificate of Service

The undersigned hereby certifies that he served the above and foregoing Summary Order on this 18th day of February, 2003, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

John T. Wolak, Esq.
Gibbons, Del Deo, Dolan,
Griffinger & Vecchione
One Riverfront Plaza
Newark, NJ 07102-5496
Attorney for Vito B. Gruppuso

_____/s/ John W. Campbell_____
John W. Campbell