



DEPARTMENT OF COMMERCE AND INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE:

**RANDAL KRAFT
DBA RANDAL KRAFT INSURANCE
AGENCY,**

Applicant.

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Case No. 2602252626C

**ORDER REFUSING TO RENEW BUSINESS
ENTITY INSURANCE PRODUCER LICENSE**

ANGELA L. NELSON, Director of the Missouri Department of Commerce and Insurance, takes up this matter for consideration and disposition. After reviewing the Petition, the Investigative Report, and other relevant documents, the Director issues these findings of fact, conclusions of law, and order:

FINDINGS OF FACT

1. Randal A. Kraft ("Kraft") is a licensed insurance producer and Missouri resident with a mailing address of 2701 Bird Ave., Joplin, MO 64804.
2. Randal Kraft Insurance Agency ("Agency") is a licensed business entity insurance producer with a business address of 2701 Bird Ave., Joplin, MO 64804 and a mailing address of P.O. Box 2667, Joplin, MO 64803.
3. Kraft was first licensed as an insurance producer (license number 175765, NPN 847532) in 1988. His license expires on March 3, 2027.
4. Agency was first licensed as a business entity insurance producer (license number 11421, NPN 7172151) in 1996. Agency's business entity insurance producer license expires on March 8, 2026.

5. Kraft is the designated responsible licensed producer for Agency and has been since 2018. Additionally, Kraft owns 100% of Agency.
6. On February 5, 2026, Kraft filed an electronic application on behalf of Agency to renew Agency's business entity producer license ("Agency Application").
7. On November 29, 2005, Agency and Old Republic Surety Company ("ORSC") entered into an Agency Agreement ("Agreement-ORSC"), and subsequently, on April 26, 2021, Agency was granted Power of Attorney for ORSC.
8. Pursuant to the Agreement-ORSC, Section I.B.1 and 2, Agency was authorized on behalf of ORSC to "to solicit and submit proposals for insurance contracts, including fidelity and surety bonds" and "to issue and deliver policies and endorsements and execute fidelity and surety bonds which the Company (ORSC) may from time to time by manuals of rules and rates, underwriting guides, bulletins or other written instructions, authorize to be issued and delivered; in the case of fidelity and surety bonds, such authorization set forth in Powers of Attorney and Limits of Authority. No more than one Power of Attorney shall be utilized for any one bond."
9. Additionally, pursuant to the Agreement-ORSC, Section I.C., Agency "agrees to promptly forward copies of all policies, fidelity and surety bonds, and endorsements issued by the Agent (Agency), or otherwise promptly notify the Company (ORSC) of all liability accepted."
10. Further, pursuant to the Agreement-OSRC, Section IV.B. and C., "[i]temized statements of balances due shall be prepared monthly by the Company (ORSC) or, when mutually agreed, by the Agent (Agency) and the Company (ORSC)" and "[t]he balance shown in the statement due the Company (ORSC), or due the Agent (Agency), shall be payable not later than 45 days after the end of the account month for which statement was prepared."
11. On January 13, 2025, the Department received notice from ORSC that Kraft had taken actions that were outside his authority as an appointed producer for ORSC.
12. In the notice, ORSC detailed 74 surety bonds written by Kraft between the years 2021 and 2024 in which Kraft failed to obtain prior authorization before writing such bonds, failed to promptly notify ORSC of the accepted liabilities, and failed to remit premiums for such bonds to ORSC.
13. ORSC further advised the Department that Kraft had not raised the aforementioned issues with ORSC and that ORSC only incidentally discovered the issues when it

received notice of completion of one of the projects for which the Agency had issued a surety bond.

14. In the notice, ORSC included a letter from Kraft, on behalf of Agency, in which he admitted that he violated Section I.B.2 and C of the Agreement-ORSC by not receiving ORSC's prior authorization before issuing bonds on behalf of ORSC.
15. On January 15, 2025, Margaret Graham ("Graham"), an investigator for the Department, emailed Kraft informing him of the complaint made by ORSC and asking him to respond to the allegations made in the complaint.
16. On January 30, 2025, Kraft responded to Graham's email and admitted that he did issue bonds on behalf of OSRC, but that he had done so pursuant to the Agreement-ORSC and Power of Attorney, contradicting the statements in his letter to OSRC. Additionally, Kraft admitted that he had collected premiums for the bonds and held them in trust, and that he had issued payment that day (January 30, 2025) to ORSC for the collected premiums. In his response, Kraft did dispute the correct amount of premium for bonds issued and stated about his payment, "[a]ll bonds will be paid for when corrected on statement as to correct amount and fix of the incorrect information in their (ORSC) records."
17. On February 19, 2025, Kraft provided Graham with a copy of the check he claimed he issued on January 30, 2025, in the amount of \$232,225.70 for the premiums owed to ORSC for the issuance of the unauthorized surety bonds.
18. On April 14, 2025, Alan Pavlic ("Pavlic"), then President of ORSC (Pavlic has since retired), emailed Ms. Graham explaining that the Agreement-ORSC only gave Kraft the authority to issue bonds once approved by ORSC, and that the Power of Attorney affixed to those approved bonds. Further, Pavlic stated that Kraft's disagreement about the correct amount of premiums owed to ORSC was due to Kraft issuing bonds at rates not approved by ORSC, which should have been the standard 3% rate.
19. On April 17, 2025, Pavlic again emailed Graham informing her that ORSC had never received Kraft's January 30, 2025, check in the amount of \$232,225.70, and that such an amount would not have been sufficient to cover the premiums due to ORSC due to Kraft using unapproved rates.
20. On August 3, 2018, Agency and Western National Mutual Insurance Company ("Western") entered into an Agency Agreement ("Agreement-Western").
21. Pursuant to the Agreement-Western, Section I.B.1 and 2, Agency was authorized on behalf of Western "[t]o solicit, receive and submit proposals for insurance

contracts of the kinds specified in the Commission Schedule” and “ [t]o bind and execute insurance policies, contracts and endorsements which the Company (Western) may from time to time by manuals of rules and rates, underwriting guides, bulletins or other written (as used in this Agreement, “Written” includes electronic communication) instructions, authorize to be issued and delivered.”

22. Additionally, pursuant to the Agreement-Western, Section IV.B and C, “[i]temized statements of balances due shall be prepared monthly by the Company (Western) by the 15th day following the account month reported, or, when mutually agreed, by the Agent (Agency) and the Company (Western)” and “[t]he balance shown in the statement due the Company (Western), or due the Agent (Agency), shall be payable not later than 45 days after the end of the account month for which statement was prepared.”
23. On December 11, 2025, the Department received notice from Western that it had terminated for cause the Agreement-Western between itself and Agency due to Kraft’s delinquent reporting and payment of premiums due to Western.
24. On December 16, 2025, the Department received a report from Western dated November 11, 2025, that detailed 23 surety bonds Kraft had issued on behalf of Western between May 2024 and August 2025, for which he had failed to remit the collected premiums, totaling \$214,111.18.
25. On January 17, 2026, Kraft provided the Department with copies of the Agreement-Western and the check dated December 18, 2025, for the payment of the premiums owed by Kraft to Western.

CONCLUSIONS OF LAW

26. Section 375.141, RSMo, states, in relevant part:
 1. The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

* * *
 - (2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state;

* * *

(4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

* * *

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]

* * *

3. The license of a business entity licensed as an insurance producer may be suspended, revoked, renewal refused or an application may be refused if the director finds that a violation by an individual insurance producer was known or should have been known by one or more of the partners, officer or managers acting on behalf of the business entity and the violation was neither reported to the director nor corrective action taken.

27. Section 375.015, RSMo, in relevant part, states:

2. A business entity acting as an insurance producer is required to obtain an insurance producer license. Application shall be made using the uniform business entity application. Before approving the application, the director shall find that:

* * *

(3) Neither the business entity nor any of its officers, directors or owners has committed any act that is a ground for denial, suspension or revocation set for in section 375.141.

28. Section 374.210, RSMo, in relevant part, states:

1. It is unlawful for any person in any investigation, examination, inquiry, or other proceeding under this chapter, chapter 354, or chapters 375 to 385, to:

(1) Knowingly make or cause to be made a false statement upon oath or affirmation or in any record that is submitted to the director or used in any proceeding under this chapter, chapter 354, and chapters 375 to 385; or

(2) Make any false certificate or entry or memorandum upon any of the books or papers of any insurance company, or upon any statement or exhibit offered, filed or offered to be filed in the department, or used in the course of any examination, inquiry, or investigation under this chapter, chapter 354 and chapters 375 to 385.

29. Section 375.051, RSMo, in relevant part, states:

1. Any insurance producer who shall be appointed or who shall act on behalf of any insurance company within this state, or who shall, on behalf of any insurance company, solicit applications, deliver policies or renewal receipts and collect premiums thereon, or who shall receive or collect moneys from any source or on any account whatsoever, on behalf of any insurance company doing business in this state, shall be held responsible in a trust or fiduciary capacity to the company for any money so collected or received by him or her for the insurance company.

2. Any insurance producer who shall act on behalf of any applicant for insurance or insured within this state, or who shall, on behalf of any applicant for insurance or insured, seek to place insurance coverage, deliver policies or renewal receipts and collect premiums thereon, or who shall receive or collect moneys from any source or on any account whatsoever, shall be held responsible in a trust or fiduciary capacity to the applicant for insurance or insured for any money so collected or received by him or her.

30. Section 375.144, RSMo, states:

It is unlawful for any person, in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, to:

(1) Employ any deception, device, scheme, or artifice to defraud;

(2) As to any material fact, make or use any misrepresentation, concealment, or suppression; [or]

* * *

(4) Engage in any act, practice, or course of business which operates as a fraud or deceit upon any person.

31. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(2), RSMo, because Kraft, Agency's owner, violated Section 374.210, RSMo, in that he submitted a false

statement to the Department in the course of an investigation by representing that he had remitted premiums due and owing to ORSC when he had not.

32. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(2), RSMo, because Kraft, Agency's owner, violated Section 375.051, RSMo, by not acting in a fiduciary capacity when he failed to remit premiums being held in trust that were due and owing to ORSC.
33. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(2), RSMo, because Kraft, Agency's owner, violated Section 375.144(1), (2), and (4), RSMo, for employing deception to defraud, concealing a material fact, and engaging in an act, practice, or course of business which operated as a fraud or deceit when he issued surety bonds and determined bond rates without prior approval from ORSC, failed to notify ORSC of the issued surety bonds, and improperly withheld premiums due and owing to ORSC.
34. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(4), RSMo, because Kraft, Agency's owner, improperly withheld premiums due and owing to ORSC.
35. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(8), RSMo, because Kraft, Agency's owner, used fraudulent and dishonest practices, and demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business when he issued surety bonds and determined bond rates without prior approval from ORSC, failed to notify ORSC of the issued surety bonds, and improperly withheld premiums due and owing to ORSC.
36. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(2), RSMo, because Kraft, Agency's owner, violated Section 375.051, RSMo, by not acting in a fiduciary capacity when he failed to remit premiums being held in trust that were due and owing to Western.
37. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(4), RSMo, because Kraft, Agency's owner, improperly withheld premiums due and owing to Western.
38. The Director may refuse the renewal of Agency's business entity producer license pursuant to Sections 375.015.2(3) and 375.141.1(8), RSMo, because Kraft, Agency's owner, used fraudulent and dishonest practices, and demonstrated

incompetence, untrustworthiness or financial irresponsibility in the conduct of business when he improperly withheld premiums due and owing to Western.


39. The Director may refuse the renewal of Agency's business entity producer license pursuant to Section 375.141.3, RSMo, because the violations of Sections 374.210, 375.051, and 375.144(1), (2), and (4), RSMo, as committed by Kraft and set out above were known or should have been known to one or more of the partners, officers or managers acting on behalf of Agency and the violations were not reported to the Director and Agency failed to take any corrective action. Kraft is the responsible producer for Agency and was the person who committed the violations of the state's insurance laws. Kraft did not report the violations and did not attempt to correct the violations.
40. The Director has considered Agency's history and all the circumstances surrounding Agency's Application. Accordingly, the Director exercises her discretion and refuses to renew Agency's business entity insurance producer license.
41. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the business entity insurance producer license renewal application of **RANDAL KRAFT INSURANCE AGENCY** is hereby **REFUSED**.

SO ORDERED.

WITNESS MY HAND THIS 10th **DAY OF** April, 2026.



ANGELA L. NELSON
DIRECTOR



NOTICE

TO: Renewal Applicant and any unnamed persons aggrieved by this Order:

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

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CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of April, 2026, a copy of the foregoing Order and Notice was served upon the Renewal Applicant in this matter by certified mail, signature required, at the following address:

Randal Kraft Insurance Agency
P.O. Box 2667
Joplin, MO 64803

Certified No. 9589 0710 5270 1990 2604 57



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