

AUG 08 2025

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKAIN THE MATTER OF THE DENIAL OF
APPLICATION OF LICENSE FOR
SHANNA FARNSWORTH)
) FINDINGS OF FACT, CONCLUSIONS
) OF LAW, RECOMMENDED ORDER
) AND ORDER

CAUSE NO. A-2422

This matter came on for hearing on the 16th day of July, 2025, before Megan VanAusdall, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Michael Anderson. Shanna Farnsworth ("Applicant") was present via WebEx, and was not represented by an attorney. The proceedings were tape recorded by Shelly Storie, a licensed Notary Public. Evidence was received, testimony was adduced, and the matter was taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. The Department is the agency of the State of Nebraska charged with licensing insurance producers.
2. Previously, on or about May 16, 2025, the Applicant submitted an Application to the Department for licensure as a non-resident insurance producer, which was received on the same date. Applicant's residential and business address, as stated on that Application, is 9513 N HARRISON, SHAWNEE, OK 74804-7504, and Applicant's mailing address is 1530 N HARRISON, SHAWNEE, OK 74804-4021. (See: Ex. 1, Attachment 1)
3. On the license application, Background Question 2 asks whether the applicant has "ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding, regarding any professional or occupational license or registration?" Applicant marked "yes," in response to Background Question 2, indicating she had been named in a previous administrative action. (*Id.*)

4. Upon a search of the Regulatory Insurance Retrieval System (RIRS)'s database by the Department's licensing administrator, Kevin Schlautman ("Schlautman"), discovered an administrative action from Oklahoma's Department of Insurance, naming the Applicant, Ms. Farnsworth, and fining her \$500.00 for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business. (See: Ex. 1, Attachment 2)

5. On or about May 20, 2025, Schlautman sent a letter to Applicant denying her Application pursuant to §44-4059(1)(h). (See: Ex. 1, Attachment 3)

6. On or about June 19, 2025, Applicant sent Schlautman an email, requesting a hearing on the denial of her insurance producer's license Application. (See: Ex. 1, Attachment 4)

7. On or about June 26, 2025, the Department through its employee, Shelly Storie, ("Storie") sent notice of this proceeding to the Applicant at her residential and business address registered with the Department, 9513 N HARRISON, SHAWNEE, OK 74804-7504, and her registered mailing address, at 1530 N HARRISON, SHAWNEE, OK 74804-4021, via certified mail, return receipt requested, by United States Postal Service ("USPS") regular mail, and by sending a copy as a digital attachment to an email, addressed to Applicant's registered email address of SHANNA_FARNSWORTH@PROGRESSIVE.COM, read receipt requested. (See: Ex. 2).

8. On or about June 27, 2025, Storie received a read receipt at 12:24 p.m., confirming receipt of the email sent with an attached Notice of Hearing. (See: Ex. 2, Attachment 1)

9. On or about July 10, 2025, Storie received an email from the Applicant, asking if the hearing could be conducted through WebEx (a digital video-telephonic service), as Applicant lived in Oklahoma. (See: Ex. 2, Attachment 2)

10. On or about July 10, 2025, the Department received the Domestic Return Receipt card associated with the letter sent to Applicant by certified mail. The return receipt card was signed, affirming delivery. As of July 15th, 2025, the letter sent to the Applicant by regular mail has not been returned to the Department. (See: Ex. 2, Attachment 3)

11. Applicant testified at the administrative hearing, held on July 16 26, 2025, explaining the circumstances of her Oklahoma administrative order. Applicant included the following explanation in the statement she attached to her application form:

"...I want to say the most important thing is that I am truly sorry for what I did. I know it was not the right thing to do. I will never do it again and that is not the kind of agent I am. I accept

any and all punishment for my doings....I sent my daughter up to the [insurance] agency to cancel the Travelers [auto insurance] policy flat. She [the daughter] remains on my policy and was in fact deemed at fault.” (Ex 1, Attachment 1)

12. Applicant went on to testify that she is currently employed by Progressive Insurance Company, where she is licensed as an insurance producer in forty-six of the United States, and works as an agent. The Application to licensure in Nebraska is intended to progress Applicant’s goal, stated at the hearing, of being licensed in all fifty states. (Applicant’s testimony at License Denial Hearing)

CONCLUSIONS OF LAW

1. The Department has broad jurisdiction, control, and discretion over the licensing of insurance producers in the State of Nebraska pursuant to Neb. Rev. Stat. §§ 44-101.01 and 44-4047 to 40-4069.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to Neb. Rev. Stat. §§44-4059(1)(h), the director may suspend, revoke, or refuse to issue or renew an insurance producer's license for ever having been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding, regarding any professional or occupational license or registration.”

4. If the director does not renew or denies an application for a license, the director shall notify the applicant or licensee and advise, in writing, the applicant or licensee of the reason for the denial or nonrenewal of the applicant's or licensee's license. The applicant or licensee may make written demand upon the director within thirty days for a hearing before the director to determine the reasonableness of the director's action. The hearing shall be held within thirty days and shall be held pursuant to the Administrative Procedure Act, pursuant to Neb. Rev. Stat. §40-4059(2).

DISCUSSION

The evidence of Applicant having been named in an administrative action from the state of Oklahoma constitutes a sufficient statutory basis to deny her application as a Nebraska non-resident insurance producer. However, such denial is discretionary, not mandatory. The purpose of the license denial hearing is to determine the reasonableness of the denial. In the context of a proper denial, the hearing gives an applicant the opportunity, and the burden, to show why a license should be granted.

The Applicant testified that the conduct leading to her Oklahoma administrative action has not been repeated. From both Applicant's testimony and the administrative order from the Oklahoma Department of Insurance, Applicant self-reported her ethics breach, and took steps to cancel the fraudulently-obtained auto insurance policy. Applicant also truthfully disclosed the Oklahoma administrative action on her Application to the Department for a non-resident insurance license, and provided a statement in her own words. Applicant's Application for licensure at this point in time can be seriously considered, despite Applicant being named previously in an administrative action from another state, because the records show that Applicant has been successful in making a change, and demonstrate a substantial likelihood that Applicant will not make decisions which conflict with the ethical standards required of an insurance producer. Additionally, at the hearing held on July 16, 2025, the Department's representative, Michael Anderson, recommended that the Applicant's licensure denial be overturned, and an insurance license granted to her.

Succinctly stated, the weight of the evidence presented by the Applicant sufficiently supports a finding that the denial of the Applicant's request for license may be overturned without endangering any Nebraska citizens.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law made herein, it is recommended that the initial decision to deny Applicant's licensure request, while supported by a sufficient evidentiary basis, be OVERTURNED, and that Applicant's request for licensure as a resident insurance producer is granted.

Dated this 8th day of August 2025.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Megan VanAusdall, #27433
Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of the Denial of Application for License for Shanna Farnsworth, Cause No. A-2422.

Dated this 8th day of August 2025.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Eric Dunning
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Applicant by sending a copy to Applicant's residential and business address, at 9513 N HARRISON, SHAWNEE, OK 74804-7504, and to Applicant's mailing address, at 1530 N HARRISON, SHAWNEE, OK 74804-4021, and a copy was also sent via electronic mail to Applicant's business address at GREGORY_A-KAWALEC@PROGRESSIVE.COM, AND TO Applicant's personal address at SFARNSW2@PROGRESSIVE.COM, on this 8th day of August 2025.


