

AUG 19 2020

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	FINDINGS OF FACT, CONCLUSIONS
)	OF LAW, RECOMMENDED ORDER
PETITIONER,)	AND ORDER
)	
VS.)	CAUSE NO. A-2225
)	
LEWIS SHAVER,)	
(NAIC Producer #17859369),)	
)	
RESPONDENT.)	

This matter came on for hearing on August 14, 2020, before Thomas C. Green II, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance (“Department”) appeared through its counsel, Michael W. Anderson. Lewis Shaver (“Respondent”) did not appear and was not represented by counsel. The proceedings were recorded by Shelly Storie, a licensed Notary Public. The Department offered Exhibits 1 through 3 at the hearing, which were received without objection, and the matter was taken under advisement. 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. Respondent is a licensed non-resident insurance producer. Respondent’s registered residence business and home address with the Department is 6663 Seaway Drive, Brooksville, Florida 34604-9033. (Ex. 2).

3. On or about July 6, 2020, the Petition and Notice of Hearing was served upon Respondent by mailing the same to his registered address, by certified mail, return receipt requested, and via regular U.S. mail. (Ex. 3)

4. On or about July 14, 2020, the Domestic Return Receipt attached to the Petition and Notice of Hearing mailed to Respondent's registered address was returned to the Department by the United States Postal Service ("USPS") evidencing delivery. (Ex.3, Attachment 1)

5. On or about March 18, 2020, the Department received notice from Freedom Life Insurance Company of America ("Freedom") that Respondent's appointment with Freedom had been terminated for cause, on February 25, 2020. The termination was due to submission of fraudulent insurance applications. In particular: (a) many of the applicants identified on the applications submitted by the Respondent shared the same bank account, which actually was a bank account of the Respondent; (b) many of the insurance packets and ID cards for the supposed applicants of the Respondent were undeliverable by the USPS as the addresses provided on the applications were reported by the USPS to be invalid; and (c) the initial drafts for many of the applications were returned unpaid due to insufficient funds. (Ex 1, Attachment 1).

6. On or about February 13, 2020, Respondent was provided a questionnaire from Freedom related to the insurance applications he had submitted. In completing his response to that questionnaire, Respondent admitted that with respect to fourteen of the applications he had submitted, he had not had any contact with the applicant and that each of those applications contained fake emails, fake phone numbers, fake addresses, and fake bank account information. (Ex. 1, Attachment 3)

7. On or about February 14, 2020, Respondent further admitted in an email to Freedom that he "did fraudulently put applications in that were completely fake. They were not a legitimate

application and were fictitious people, fictitious emails, and fictitious addresses.” (Ex. 1, Attachment 2)

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 et seq.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to Neb. Rev. Stat. § 44-4059(1)(b), the director may suspend or revoke an insurance producer’s license, or may levy an administrative fine for violating any insurance law or violating any rule, regulation, subpoena, or order of the director or of another state’s insurance commissioner or director.

4. Pursuant to Neb. Rev. Stat. § 44-4059(1)(g), the director may suspend or revoke an insurance producer’s license, or may levy an administrative fine for having admitted or been found to have committed any insurance unfair trade practice, any unfair claims settlement practice, or fraud;

5. Pursuant to Neb. Rev. Stat. § 44-4059(1)(h), the director may suspend or revoke an insurance producer’s license, or may levy an administrative fine for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

6. Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(g) and 44-4059(1)(h), as a result of the conduct set forth in paragraphs 5 through 7 of the Findings of Fact.

DISCUSSION

The Department presented sufficient evidence to show Respondent received proper notice of these proceedings.

The uncontested evidence conclusively shows Respondent submitted at least fourteen different fraudulent applications for insurance. Respondent has admitted completing and submitting the fraudulent insurance applications. Respondent's fraudulent actions were committed flagrantly and in conscious disregard of Nebraska law. Respondent's actions demonstrate a high level of fraudulent, dishonest, and untrustworthy conduct incompatible with the high ethical and moral standards required of an insurance producer.

Based on the serious nature of the evidence presented, and considering the totality of the circumstances involved, revocation of Respondent's non-resident insurance producer license is appropriate in this case.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's Nebraska non-resident insurance producer license be revoked. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling Respondent or the Department of Insurance to make application for such further orders as may be necessary.

Dated this 19th day of August, 2020.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Thomas C. Green II
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 State of Nebraska, Department of Insurance vs. Lewis Shaver (NAIC Producer #17859369), Cause No. A-2225.

Dated this 19 day of August, 2020.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Bruce R. Range
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 Respondent by mailing a copy to Respondent's registered business and home address, 6663 Seaway Drive, Brooksville, FL 34604-9003, via regular U.S. mail on this 19th day of August, 2020.

Shelly Stone