

SEP 01 2020

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	
PETITIONER,)	CONSENT ORDER
)	
VS.)	
)	
STEPHEN RHETT SHEPHERD,)	CAUSE NO. L-2025
(NAIC National Producer #18875828),)	
)	
RESPONDENT.)	

IN ORDER TO resolve this matter, the Nebraska Department of Insurance (“Petitioner”), by and through its attorney, Thomas C. Green II, and Stephen Rhett Shepherd (“Respondent”), mutually stipulate and agree as follows:

JURISDICTION

1. Petitioner has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44.101.01 and 44-9201 to 44-9219.
2. Respondent has been a public adjuster licensed to conduct business in Nebraska *at all* times material hereto.

STIPULATIONS OF FACT

1. Petitioner initiated this administrative proceeding by filing a Petition captioned State of Nebraska Department of Insurance vs. Stephen Rhett Shepherd (NAIC National Producer #18875828), Cause Number L-2025 on or about July 22, 2020. A copy of the Petition was served upon the Respondent at Respondent’s registered business and mailing address of 2566 Farnam St., Ste 301, Omaha, NE 68131-3628 and Petitioner’s mailing address of 217 Locust Lodge Avenue, Council Bluffs, IA 51503 by certified mail, return receipt requested, and by regular U.S. mail. Respondent acknowledges receiving proper notice of these proceedings.

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2. Respondent is alleged to have violated Neb. Rev. Stat. §§ 44-9211(1)(b), 44-9211(1)(h), 44-9214(1)(d), 44-9214(1)(h), 44-9214(1)(i), 44-9214(1)(j), 44-9214(1)(k), 44-9214(2)(b), 44-9214(2)(c), 44-9214(5), 44-9214(6) 44-9214(7), 44-9214(8) as a result of the following conduct:

- a. On or about October 25, 2019, Respondent entered into a contract regarding a loss to real estate located at 410 S. 93rd St., Omaha, NE 68114 with Nate McDaniel, a contractor, who is not the owner of the real estate. The contract: was not signed by the property owner; was not entitled, "Public Adjuster Contract"; was not signed by the insured; was not dated by the insured; did not indicate that the Respondent was bonded pursuant to state law; did not indicate the specific amount of compensation that Respondent was to receive for services; did not indicate that if the Respondent's compensation was based on a share of the insurance settlement, the exact percentage shall be specified; and did not indicate the amount of the initial expenses to be reimbursed to the public adjuster. Respondent also did not provide the insured with a separate disclosure document regarding the claim process that states: property insurance policies obligate the insured to present a claim to his or her insurer; that there are three different type of adjusters along with the definitions of "company adjuster", "independent adjuster", and "public adjuster"; that the insured has the right to initiate direct communications with the insurer, the company adjuster and the insurer's attorney, or any other person regarding settlement of the insured's claim; that the public adjuster is not a representative or employee of the insurer; and that the salary, fee, commission, or other consideration to be paid to a public adjuster is the obligation of the insured, not the insurer. Further, the Respondent did not arrange for the aforementioned contract with the insured to be executed in duplicate, nor did the Respondent provide the insured with an original signed contract. The Respondent also failed to provide the insurer a notification letter, signed by the insured, authorizing the public adjuster to represent the insured's interest. Finally, Respondent did not give the insured written notice of the insured's rights.
- b. On or about October 17, 2019, Respondent entered into a contract regarding a loss to real estate located at 8532 Hickory St., Omaha, NE 68124 with Nate McDaniel, a contractor, who is not the owner of the real estate. The contract: was not signed by the property owner; was not entitled "Public Adjuster Contract"; was not signed by the insured; was not dated by the insured; did not indicate that the Respondent was bonded pursuant to state law; did not indicate the specific amount of compensation that Respondent was to receive for services; did not indicate that if the Respondent's compensation was based on a share of the insurance settlement, the exact percentage shall be specified; and did not indicate the amount of the initial expenses to be reimbursed to the public adjuster. Respondent also did not provide the insured with a separate disclosure document regarding the claim process that states: property insurance policies obligate the insured to present a claim to his or her insurer; that there are three types of adjusters and definition of "company adjuster", "independent adjuster", and "public adjuster"; that the insured has the right to initiate direct communications with the insurer, the company adjuster and the insurer's attorney, or any other person regarding

settlement of the insured's claim; that the public adjuster is not a representative or employee of the insurer; and that the salary, fee, commission, or other consideration to be paid to a public adjuster is the obligation of the insured, not the insurer. The Respondent did not arrange for the aforementioned contract with the insured to be executed in duplicate, nor did the Respondent provide the insured with an original signed contract. Further, the Respondent also failed to provide the insurer a notification letter, signed by the insured, authorizing the public adjuster to represent the insured's interest. Finally, Respondent did not give the insured written notice of the insured's rights.

- c. On or about October 17, 2019, Respondent entered into a contract regarding a loss to real estate located at 8308 Hickory St., Omaha, NE 68124 with Nate McDaniel, a contractor, who is not the owner of the real estate. The contract: was not signed by the property owner; was not entitled "Public Adjuster Contract"; was not signed by the insured; was not dated by the insured; did not indicate that the Respondent was bonded pursuant to state law; did not indicate the specific amount of compensation that Respondent was to receive for services; did not indicate that if the Respondent's compensation was based on a share of the insurance settlement, the exact percentage shall be specified; and did not indicate the amount of the initial expenses to be reimbursed to the public adjuster. Respondent also did not provide the insured with a separate disclosure document regarding the claim process that states: property insurance policies obligate the insured to present a claim to his or her insurer; that there are three types of adjusters and the definition of "company adjuster", "independent adjuster", and "public adjuster"; that the insured has the right to initiate direct communications with the insurer, the company adjuster and the insurer's attorney, or any other person regarding settlement of the insured's claim; that the public adjuster is not a representative or employee of the insurer; and that the salary, fee, commission, or other consideration to be paid to a public adjuster is the obligation of the insured, not the insurer. The Respondent did not arrange for the aforementioned contract with the insured to be executed in duplicate, nor did the Respondent provide the insured with an original signed contract. Further, the Respondent also failed to provide the insurer a notification letter, signed by the insured, authorizing the public adjuster to represent the insured's interest. Finally, Respondent did not give the insured written notice of the insured's rights.
- d. On or about September 9, 2019, Respondent entered into a contract regarding a loss to real estate located at 1724 S. 105th St., Omaha, NE 68124 with Nate McDaniel, a contractor, who is not the owner of the real estate. The contract: was not signed by the property owner; was not entitled "Public Adjuster Contract"; was not signed by the insured; was not dated by the insured; did not indicate that the Respondent was bonded pursuant to state law; did not indicate the specific amount of compensation that Respondent was to receive for services; did not indicate that if the Respondent's compensation was based on a share of the insurance settlement, the exact percentage shall be specified; and did not indicate the amount of the initial expenses to be reimbursed to the public adjuster.

Respondent also did not provide the insured with a separate disclosure document regarding the claim process that states: property insurance policies obligate the insured to present a claim to his or her insurer; that there are three types of adjusters and the definitions of “company adjuster”, “independent adjuster”, and “public adjuster”; that the insured has the right to initiate direct communications with the insurer, the company adjuster and the insurer’s attorney, or any other person regarding settlement of the insured’s claim; that the public adjuster is not a representative or employee of the insurer; and that the salary, fee, commission, or other consideration to be paid to a public adjuster is the obligation of the insured, not the insurer. The Respondent did not arrange for the aforementioned contract with the insured to be executed in duplicate, nor did the Respondent provide the insured with an original signed contract. Further, the Respondent also failed to provide the insurer a notification letter, signed by the insured, authorizing the public adjuster to represent the insured’s interest. Finally, Respondent did not give the insured written notice of the insured’s rights.

3. Respondent admits the allegations set forth in Paragraph 2.

4. Respondent was informed of his right to a public hearing. Respondent waives that right and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

CONCLUSIONS OF LAW

Respondent’s conduct as alleged above constitutes violations of Neb. Rev. Stat. §§ 44-9211(1)(b), 44-9211(1)(h), 44-9214(1)(d), 44-9214(1)(h), 44-9214(1)(i), 44-9214(1)(j), 44-9214(1)(k), 44-9214(2)(b), 44-9214(2)(c), 44-9214(5), 44-9214(6) 44-9214(7), 44-9214(8) and Respondent is subject to disciplinary action pursuant to Neb. Rev. Stat. § 44-9211.

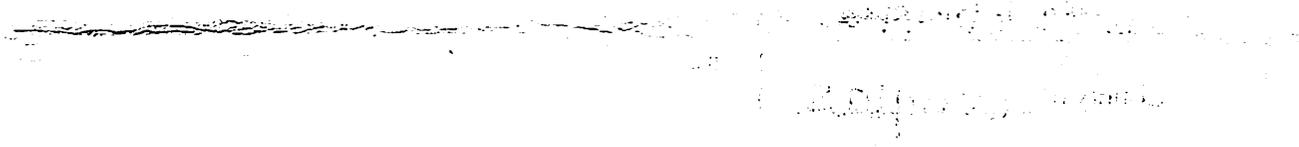
CONSENT ORDER

It is therefore Ordered by the Director of Insurance and agreed to by Respondent, Stephen Rhett Shepherd, that Respondent shall pay an administrative fine of Two Thousand Dollars (\$2,000.00) within fourteen (14) days of the adoption of this Consent Order by the Director.

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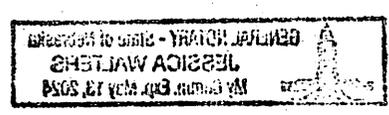
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondent by mailing a copy to his registered business and mailing address at 2566 Farnam St., Ste 301, Omaha, NE 68131-3628, by regular U.S. mail, on this 3rd day of September, 2020.

Shelly Storie