

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

In the Matter of the Kansas	)	
Insurance Agent's License of	)	Docket No. 4954-SO
<b>KEITH L. SHAFFER</b>	)	
NPN: # 2939003	)	

**SUMMARY ORDER**

(Pursuant to K.S.A. 2007 Supp. 40-4909, K.S.A. 77-501)

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909, the Commissioner hereby revokes the agent's license of Respondent, **KEITH L. SHAFFER** ("Respondent"). This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

**Findings of Fact**

The Commissioner finds the following facts:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Respondent is licensed as a resident agent to transact the business of insurance in the State of Kansas, and has been so licensed since May 6, 1982.
2. KID records further indicate that the mailing address of Mr. Keith L. Shaffer is PO Box 282 Altamont, Kansas 67330-0282.
3. On November 16, 2016, Respondent was convicted by a jury in the United States District Court (KS) of misapplication of bank funds, wire fraud, misappropriation of insurance funds and three counts of making a false statement on a federal tax return. Case No. 16-10012-01-JTM
4. Respondent was accused of diverting more than \$134,000 in commissions generated through sales of insurance into his personal bank accounts when the money belonged to the bank.
5. Respondent was also accused of lying to the bank and the Internal Revenue Service during the scheme.
6. At the time, Respondent was managing a bank subsidiary called Labette Insurance Agency.
7. Respondent improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business.

8. Respondent's action was fraudulent and dishonest and demonstrates untrustworthiness in the conduct of the business of insurance in Kansas.
9. Respondent knew or reasonably should have known that he was in violation of Kansas insurance statutes.

#### Applicable Law

- K.S.A. 40-4909 states, in pertinent part:
  - (a) 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:
    - (4) Improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business.
    - (6) Been convicted of a misdemeanor or felony.
    - (8) Used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

#### Policy Reasons

1. It is in the public interest that the license of an agent who has demonstrated he has used any fraudulent or dishonest practice or demonstrated any untrustworthiness in the conduct of business in this state or elsewhere be revoked.
2. It is in the public interest that the license of an agent who has improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business be revoked.

#### Conclusions of Law

1. The Commissioner has jurisdiction over **KEITH L. SHAFFER** as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
2. The Commissioner finds that Respondent's Kansas license may be revoked because **KEITH L. SHAFFER** has used a fraudulent and dishonest act and has demonstrated untrustworthiness in the conduct of business in this state.
3. The Commissioner finds that Respondent's Kansas license may be revoked because **KEITH L. SHAFFER** has improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business.

4. The Commissioner finds that Respondent's Kansas license may be revoked because **KEITH L. SHAFFER** was convicted of felony crimes.
5. The Commissioner finds, pursuant to K.S.A. 40-4909(b), that the interests of the public are not properly served under Respondent's license.
6. Accordingly, the Commissioner concludes that sufficient grounds exist for the revocation of the insurance agent's license of **KEITH L. SHAFFER**, pursuant to K.S.A. 40-4909(a) and (b).

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:**

1. The Kansas resident Insurance Agent's License of **KEITH L. SHAFFER** is hereby **REVOKED** the effective date of this Order.
2. **IT IS FURTHER ORDERED** that **KEITH L. SHAFFER** shall **CEASE** and **DESIST** from the sale, solicitation or negotiation of insurance and/or receiving compensation deriving from the sale, solicitation or negotiation of insurance conducted after the effective date of this Order.

**NOTICE AND OPPORTUNITY FOR HEARING**

**KEITH L. SHAFFER**, within fifteen (15) days of service of this Summary Order, may file with the Kansas Insurance Department a written request for 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:

Diane Minear, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent/agency who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with 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 (15) day period for requesting a hearing. The Final Order will constitute final agency action in the matter.

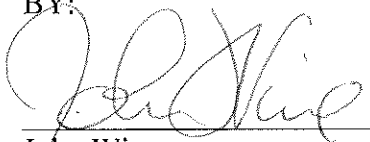
In the event the Respondent files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the Kansas Insurance Department is:

Diane Minear, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> St.  
Topeka, Kansas 66612

IT IS SO ORDERED THIS 20 DAY OF December, 2016, IN THE CITY  
OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.




Ken Selzer, CPA  
Commissioner of Insurance

BY:  
  
John Wine  
Assistant Commissioner

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that he served the above and foregoing Summary Order on this 20 day of December, 2016, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

KEITH L. SHAFFER  
PO Box 282  
Altamont, Kansas 67330-0282

  
Phoenix Anshutz  
Law Clerk