

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

**In the Matter of the Kansas
Nonresident Insurance Producer's
License of LEWIS SHAVER
NPN # 17859369**

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Docket No. 83067

SUMMARY ORDER OF REVOCATION

(Pursuant to K.S.A. 40-4909 and K.S.A. 77-501 *et seq.*)

Pursuant to the authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909 and K.S.A. 77-501 *et seq.*, the Commissioner hereby **REVOKES** the Kansas nonresident insurance producer's license of **LEWIS SHAVER** ("Respondent"). This Summary Order of Revocation shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for a hearing is made.

Findings of Fact

1. Respondent was licensed as a Kansas nonresident insurance producer on December 6, 2016. The Respondent's Kansas nonresident insurance producer license expired on March 12, 2021, and is inactive.
2. On March 17, 2020, the Kansas Insurance Department ("Department") received a termination for cause notice from Freedom Life Insurance Company of America ("Freedom") for the Respondent. The termination for cause cited "fraudulent activity" as the reason for the Respondent's termination.
3. Freedom's notification regarding the termination of the Respondent for cause disclosed that a recent audit of the Respondent's business indicated substantial issues with account information. The audit revealed many of the applicants for which Respondent wrote policies reflected the same bank account. A number of the policy packets and ID cards mailed to the

applicants were returned as undeliverable. The United States Postal Service ("USPS") returned these items as such because the addresses were invalid. Freedom will not issue a policy unless they are able to verify the information contained in the application by phone. When Freedom attempted to verify the applications, they discovered that these applicants were "TextNow" or "Voice over Internet Protocol" subscribers. Subsequently, many of these applicants' initial draft for payment on the policies were returned unpaid for insufficient funds.

4. Due to the above issues, Freedom's verification process could not be properly conducted. As a result, Freedom reviewed recorded calls conducted by Respondent with the applicants. It was Freedom's opinion that it appeared that the Respondent was impersonating the applicants on these calls.

5. Freedom contacted the Respondent regarding the findings and issues raised in the audit. At that time Respondent claimed that he had conducted all of the calls in regard to the applications and submitted those on the applicants' behalf but did admit listing his own banking account information as he stated that the applicants were not willing to provide their banking information to him. At that time, Freedom suspended Respondent's account while they further investigated the matter. They also requested he provide an agent statement.

6. In such agent statement, the Respondent admitted to not being truthful during the previous call. Respondent admitted to creating phone numbers for applicants. Once the verification calls were made, they were forwarded to Respondent's cell phone. He admitted impersonating applicants in order for the policy to issue in order for him to receive commissions. Specifically, Respondent admitted that many of the applications were fraudulent as the individuals, email addresses and addresses were fictitious. He stated "I did fraudulently put applications in

that were completely fake... I took advantage of my position as a licensed agent with the company.”

7. As a result, Respondent’s business relationship was terminated for cause with Freedom on February 25, 2020.

8. On or about April 1, 2020, The Department reached out to the Respondent for his account and Respondent failed to respond to the Department’s inquiry.

9. Based on these fraudulent activities and dishonest practices, the Respondent was subject to the disciplinary actions in jurisdictions in which he held an insurance producer license. The following jurisdictions took action against Respondent’s license:

- a. On or about April 3, 2020, the Kentucky Department of Insurance revoked the Respondent’s license for lack of fitness or trustworthiness.
- b. On or about June 18, 2020, the Utah Insurance Department revoked the Respondent’s license for misrepresenting an insurance product/policy, failure to respond, failure to notify department of address change, and forgery.
- c. On or about June 23, 2020, the Indiana Department of Insurance issued a Final Agency Order refusing to renew the Respondent’s license finding that the Respondent had been terminated for cause for fraudulent activity and demonstrating a lack of fitness and untrustworthiness.
- d. On or about August 19, 2020, the Nebraska Department of Insurance revoked the Respondent’s license for fraudulent acts in violation of Nebraska law and for demonstrating a lack of fitness and trustworthiness.
- e. On or about October 8, 2020, the Illinois Department of Insurance revoked the Respondent’s license for demonstrating a lack of fitness or trustworthiness.

- f. On or about November 25, 2020, the Louisiana Department of Insurance revoked the Respondent's license for failure to report other state action.
- g. On or about March 16, 2021, the Maryland Insurance Administration revoked the Respondent's license for a violation of the Unfair Insurance Practices Act, failure to respond, other states action and failure to report other states action. The Respondent entered into a Stipulated Order and was assessed a fine in the amount of \$7,000.
- h. On or about May 24, 2021, the Virginia State Corporation Commission revoked the Respondent's producer license for failure to report other state action and for failing to provide the requested records to the Commission during an investigation.
- i. On or about July 6, 2021, the Wisconsin Office of the Insurance Commissioner assessed the Respondent a fine in the amount of \$4,000 for failure to report other state action. On or about July 26, 2021, the license of the Respondent was revoked for failure to pay the fine.
- j. On or about September 21, 2021, the Nevada Department of Insurance revoked the Respondent's insurance producer license for demonstrating lack of fitness or trustworthiness.

10. None of the above referenced actions in paragraph 9 have been reported to the Kansas Insurance Department by the Respondent as required by the administrative regulations in place at the time.

Applicable Law

K.S.A. 40-4909(a)(8) provides:

The Commissioner may deny, suspend, revoke, or refuse renewal of an insurance producer's license upon finding that Respondent has 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.

K.S.A. 40-4909(a)(9) provides:

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 had an insurance agent license, or its equivalent, denied, suspended or revoked in any state, district or territory.

K.A.R. 40-7-9(a) and K.S.A. 40-4905(f)(1)(A) provides:

Each person licensed in this state as an insurance agent shall report the following to the commissioner of insurance within 30 days of occurrence: Each disciplinary action on the agent's license or licenses by the insurance regulatory agency of any other state or territory of the United States.

K.S.A. 40-4909(a)(2)(A) provides:

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 violated any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rules and regulations promulgated thereunder.

Policy Reasons

1. It is in the public interest that the license of a producer who has used fraudulent, coercive or dishonest practice or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business be revoked.

2. It is in the public interest that the license of a producer who has been revoked in multiple other jurisdictions due to lack of fitness and fraudulent practices in the conduct of business be revoked.

3. It is in the public interest that the license of a producer who has failed to report multiple other state disciplinary actions to the Department be revoked.

Conclusions of Law

1. The Commissioner has jurisdiction over **LEWIS SHAVER** as well as the subject matter of this proceeding, and such proceeding is held in the public interest.

2. Pursuant to K.S.A. 40-4909(a)(8), the Commissioner finds that Respondent's Kansas nonresident insurance producer's license may be revoked because **LEWIS SHAVER** used fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

3. Pursuant to K.S.A. 40-4909(a)(9), the Commissioner finds that Respondent's Kansas nonresident insurance producer license may be revoked because **LEWIS SHAVER** has had his insurance agent license revoked in other states (at least seven (7) states) due to the same conduct alleged in this Order as well as other violations of their insurance laws.

4. Pursuant to K.S.A. 40-4909(a)(2)(A), the Commissioner finds that Respondent's Kansas nonresident insurance producer license should be revoked because **LEWIS SHAVER** violated Kansas insurance law and regulations by failing to report multiple other state disciplinary actions against his producer license to the Department.

5. Pursuant to K.S.A. 40-4909(b), the Commissioner finds that the insurable interests of the public are not properly served under the Kansas nonresident insurance producer's license of **LEWIS SHAVER**.

6. Pursuant to K.S.A. 40-4909(a) and (b), the Commissioner concludes that sufficient grounds exist for revocation of the Kansas nonresident insurance producer's license of **LEWIS SHAVER**.

7. Pursuant to K.S.A. 40-4909(f)(3), the Commissioner has the jurisdiction and right to institute any disciplinary proceeding against the Kansas nonresident insurance producer's license of **LEWIS SHAVER**.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The Kansas nonresident insurance producer's license of **LEWIS SHAVER** is hereby **REVOKED** the effective date of this Order.


2. **IT IS FURTHER ORDERED** that **LEWIS SHAVER** 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.

IT IS SO ORDERED THIS 7th **DAY OF** March **2023, IN THE**
CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



VICKI SCHMIDT
COMMISSIONER OF INSURANCE

BY:


Justin L. McFarland
General Counsel

NOTICE AND OPPORTUNITY FOR HEARING

LEWIS SHAVER, within fifteen (15) days (plus 3 additional days for mailing) of service of this Summary Order, you 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:

Mindy Forrer
Kansas Insurance Department
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the producer/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 (plus 3 additional days for mailing) for requesting a hearing. The Final Order will constitute final agency action on the matter.

In the event the Respondent files a petition for judicial review with the District Court, 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:

Justin L. McFarland, General Counsel
Kansas Insurance Department
1300 SW Arrowhead Rd.
Topeka, Kansas 66604

Pursuant to K.S.A. 77-607 and 77-612, exhaustion of administrative remedies is a jurisdictional prerequisite to seeking judicial review.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the above and foregoing Summary Order on this 7th day of March 2023, by causing the same to be deposited in the United States Mail, first class postage prepaid and certified, addressed to the following:

Lewis Shaver

[REDACTED]

Brooksville, FL [REDACTED]

and via email to:

[REDACTED]



Sarah Cowan
Legal Assistant