

BEFORE THE IOWA INSURANCE COMMISSIONER

<p>IN THE MATTER OF</p> <p>SHAWN R. STILL,</p> <p>NPN: 7732302, DOB: XX/XX/1968,</p> <p>Respondent.</p>	<p>Division Case No. 104960</p> <p><b>ORDER AND CONSENT TO ORDER</b></p>
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**NOW THEREFORE**, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Shawn R. Still, and pursuant to the provisions of Iowa Code chapter 522B—Licensing of Insurance Producers, the Commissioner enters the following Order and Consent to Order (“Consent Order”):

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code § 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Shawn R. Still, hereinafter (“Respondent”) is an individual with a last-known residence address of 850 23rd Ave., Williamsburg, Iowa 52361.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since June 27, 2003. He is licensed under National Producer Number 7732302.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.
5. From on or about September 2010 to November 2018, Respondent engaged in acts and practices within the state of Iowa constituting cause for a cease and desist order and civil

penalties or other relief under Iowa Code chapters 505, 522B, and rules adopted pursuant to these chapters.

6. Respondent knowingly and voluntarily enters into this Order. Respondent denies the findings of fact found herein, but as a compromise settlement is agreeing to the terms of the Order.

## **II. FINDINGS OF FACT**

7. Respondent applied for a resident insurance producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License (“Uniform Application”). In submitting the Uniform Application, Respondent designated the Commissioner as an agent for service of process.

8. The Division issued Respondent a resident insurance producer license on June 27, 2003, and assigned to him National Producer Number 7732302.

9. From July 15, 2003 to April 24, 2019, Respondent was appointed as an insurance producer for Knights of Columbus Life Insurance Company (“Knights”) with a home office in New Haven, Connecticut. Respondent owns and conducts business out of the Shawn Still Agency located in Williamsburg, Iowa.

10. On April 24, 2019, Respondent was terminated for cause by Knights following the conclusion of an internal investigation that revealed Respondent had committed multiple acts of fraud concerning Knights’ advertisement reimbursement program.

11. Knights notified the Division on May 21, 2019, that Respondent had been termed for cause. The Division then opened an investigation into the matter.

12. Knights offered a co-op advertising program (“Co-op”) for its producers that allowed them to receive a fifty-percent reimbursement for advertising placed in specific pre-approved publications.

13. This program was meant to encourage Knights producers to advertise and target potential clients within the Catholic community. The guidelines for participation in the Co-op program detail the specific criteria necessary to receive reimbursement and the specific rates of reimbursement.

14. From on or about September 2010 through November 2018, Respondent submitted \$342,040.00 in advertising reimbursement claims to the Co-op and received \$263,427.00 in reimbursement payments.

15. Knights’ internal investigation, and the Division’s subsequent investigation, revealed a scheme perpetrated by the Respondent that allowed him to receive up to 100% reimbursement from the Co-op or, in some instances, receive payments from the Co-op that were based on invoices for advertising that never existed.

16. Respondent was the lead producer for the Shawn Still Agency and supervised four other junior producers he hired and trained: KS, AH, SY, and NS—the son of Respondent. All of these producers, except for NS, admitted that the scheme to defraud the Co-op program was orchestrated and overseen by Respondent.

17. Further, these three producers stated in their interviews with Knights and the Division that Respondent pressured them to participate in this scheme and made comments that led them to believe if they did not participate they would lose their jobs.

18. These producers detailed that the agency used fake invoices that Respondent and his wife, PS, created. These fake invoices inflated the amount of advertising a producer purchased

from a local parish council in order to allow the producer to receive full reimbursement for their actual costs.

19. The Division's investigation further revealed that this scheme was often accomplished by Respondent, or one of his employees, attaching the front copy of a check that reflected the amount claimed on the fictitious invoice. These invoices were never challenged by Knights even though they did not comport with Knights' guidelines requiring both the front and back copy of checks.

20. Knights will seek to recoup their losses through the withholding of Respondent's future commissions payments.

### **III. CONCLUSIONS OF LAW**

#### **COUNT ONE**

#### **Using Fraudulent, Coercive, Dishonest Practices, Demonstrating Incompetence or Untrustworthiness**

21. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for using fraudulent, coercive, or dishonest practices or demonstrating incompetence or untrustworthiness in the conduct of business.

22. Respondent used fraudulent practices by creating and submitting fictitious invoices to the Co-op program.

23. Respondent's acts and practices were in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to suspension or revocation of his insurance producer license, to the imposition of a civil penalty, an order requiring Respondent to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and the prosecution of the

matter, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 522B.11, 522B.17, and 505.8.

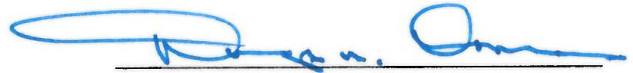
#### **IV. ORDER**

**WHEREFORE, IT IS ORDERED** pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapters 507B, and 522B:

- A. Respondent's Iowa resident insurance producer license is permanently revoked pursuant to Iowa Code §§ 522B.11 and 522B.17;
- B. Respondent, pursuant to Iowa Code §§ 507B.7 and 522B shall immediately cease and desist from engaging in the business of insurance in the state of Iowa;
- C. Pursuant to Iowa Code §§ 505.8, 507B.7, Respondent shall pay to the Iowa Insurance Division the amount of \$8,685.61. \$3,000 due contemporaneously with this Order, the remaining amount is due within 30 days of this Order:
  - a. \$3,000.00 of this payment is assessed as a civil penalty and will be credited to the Iowa Enforcement Fund, the remainder, \$5,685.61, will be distributed by the Division to The Diocese of Des Moines, as payment for restitution in this matter.
- D. Respondent shall, contemporaneously with this Order, pay the amount of \$1,000 for costs of investigation and prosecution pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund to provide funds for insurance enforcement and education.

E. These orders may be enforced under Iowa Code chapters 502, 507B, and 522B including but not limited to Iowa Code §§ 507B.8 and 522B.17(3), and additionally, by any collection remedies available to the State of Iowa Department of Revenue for

SO ORDERED on the 1st day of October, 2020.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,

/s/ Adam J. Kenworthy

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**ATTORNEY FOR THE DIVISION**

Email Copy to:  
Brian Thul  
**RESPONDENT'S ATTORNEY**

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on October 1, 2020.

By:  First Class Mail  Personal Service  
 Restricted certified mail, return receipt  Email, by consent  
 Certified mail, return receipt  \_\_\_\_\_

Signature: /s/ Hilary Foster  
Hilary Foster

## **NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER**

**YOU ARE NOTIFIED** that acting as an insurance producer, as defined in Iowa Code chapter 522B, in violation of this Order, is a felony under Iowa Code § 507A.10, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

**YOU ARE ALSO NOTIFIED** that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code § 522B.17(3). The Commissioner may petition the district court to hold a hearing to enforce the order as certified by the Commissioner. The district court may assess a civil penalty against you in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

## **NOTICE OF FINAL ORDER IMPACT**

A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.

## **CONSENT TO ORDER AND AGREEMENT**

I, Shawn Still, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. By executing this Consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand this Order will be posted to the

Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

Shawn R. Still  
Shawn R. Still, Respondent

2917 N. Delle Poirell, IA 52305  
Address of Signatory

Subscribed and sworn before me by Shawn R. Still on this 26<sup>th</sup> day of September, 2020.



Melissa Roth  
Notary Public for the State of Iowa