

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 16775-AG18-0122-007

IN THE MATTER OF:)
)
Stephen P. Keene)
412 E. Southway Blvd.)
Kokomo, Indiana 46902)
)
Respondent.)
)
License Number: 2136090)
)
Type of Agency Action: Enforcement)

FILED

AUG 24 2018

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

On July 3, 2018, the Administrative Law Judge, Reuben B. Hill, filed his Findings of Fact, Conclusions of Law and Recommended Order in the above-captioned matter.

1. The Department served Findings of Fact, Conclusions of law, and Recommended Order on Respondent by mailing the same to his address of record.

2. The Department has complied with the notice requirements of Ind. Code §4-21.5-3-17.

3. Neither party has filed an objection with the Commissioner regarding the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommended Order, and more than eighteen (18) days have elapsed.


Therefore, the Commissioner of Insurance, being fully advised, now hereby adopts in full the Administrative Law Judge's Findings of Fact, Conclusions of Law, and Recommended Order and issues the following Final Order:

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. Respondent's Resident Producer's License #2136090 is permanently **REVOKED**.
2. Respondent is to pay restitution to IHT Agency in the amount of Twenty-Three Thousand Eight Hundred Eighty-eight Dollars and Three Cents (\$23,888.03) within one hundred eighty (180) days.

Under Ind. Code §4-21.5-5-5, Respondent has the right to appeal this Final Order by filing a petition for Judicial review in the appropriate court within thirty (30) days.

ALL OF WHICH IS ORDERED by the Commissioner this 24 day of August, 2018.


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Copies to:

Stephen Keene
412 E. Southway Blvd.
Kokomo, Indiana 46902

Erica Dobbs, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, IN 46204

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 16775-AG18-0122-007

IN THE MATTER OF:)
)
INSURANCE PRODUCER LICENSE)
APPLICATION OF:)
)
Stephen P. Keene)
412 E. Southway Blvd.)
Kokomo, Indiana 46902)
)
Respondent.)
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License Number: 2136090)
)
Type of Agency Action: Enforcement)

FILED

JUL 03 2018

**STATE OF INDIANA
DEPT. OF INSURANCE**

NOTICE OF FILING OF RECOMMENDED ORDER

The parties of this action are hereby notified that the Administrative Law Judge's Recommended Order is deemed filed as of this date.

To preserve an objection to this order for judicial review, the Parties must object to the order in a writing that: 1) Identifies the basis for the objection with reasonable particularity; and 2) Is filed with the ultimate authority for the Final Order, the Commissioner of the Department of Insurance within eighteen (18) days from the date of this Order.

DATED: 3 July 2018



Reuben B. Hill
Administrative Law Judge

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
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JUL 03 2018

STATE OF INDIANA
DEPT. OF INSURANCE

**FINDINGS OF FACT, CONCLUSIONS OF LAW
AND RECOMMENDED ORDER**

Administrative Law Judge Reuben B. Hill (“ALJ”), having heard, reviewed and considered all of the evidence, will now render a decision concerning the matter of Stephen Keene (“Applicant”). This matter came on to be heard by the ALJ on May 15, 2018 at 10:00 a.m. at the Indiana Department of Insurance at 311 West Washington Street, Indianapolis, Indiana.

The Enforcement Division of the Indiana Department of Insurance (“Department”) was represented by counsel, Erica J. Dobbs. Respondent failed to appear. Evidence was heard, and exhibits were received into evidence.

Based upon the evidence presented at said hearing, the ALJ now makes the following Findings of Fact, Conclusions of Law, and issues the Recommended Order.

FINDINGS OF FACT

1. Respondent has been a licensed Resident Insurance Producer since October 25, 1986.
2. Respondent was previously disciplined by the Department in September 2017, under Cause No. 16315-AG17-0807-156, for collecting premium from a client but failing to secure coverage for said client (Department's Exhibit 1).
3. Respondent was employed by IHT Insurance Agency Group, LLC ("IHT").
4. Following the September, 2017 action by the Department, IHT conducted an internal investigation of Respondent's client accounts, discovering Seventy-One (71) policies for which Respondent had collected premiums from clients and failed to remit said premiums to the respective carriers (Department's Exhibits 4 and 5).
5. The total amount of misappropriated premiums is Twenty-Three Thousand Eight Hundred Eighty-Eight Dollars and Three Cents (\$23,888.03 (Department's Exhibits 4 and 5).
6. IHT has paid the missing premiums to the carriers on the clients' behalf to protect the clients from losing coverage (Department's Exhibit 4).
7. As part of their investigation, IHT leadership confronted Respondent regarding the missing premiums, and Respondent admitted to using the money to pay his wife's medical bills (Department's Exhibit 2).
8. Conclusions of Law that can be adopted as Findings of Fact are hereby incorporated herein as such.

CONCLUSIONS OF LAW

1. The Commissioner of the Indiana Department of Insurance (“Commissioner”) has jurisdiction over both the subject matter and the parties to this action.
2. This hearing was held in compliance with the Administrative Orders and Procedures Act of the Indiana Code.
3. Indiana Code 27-1-15.6-12(b) states, in part, that the Commissioner may permanently revoke an Insurance Producer License, due to a number of factors.
4. Specifically, Indiana Code 27-1-15.6-12(b)(4) allows the Commissioner to permanently revoke an Insurance Producer’s License for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.
5. Respondent’s use of Twenty-Three Thousand Eight Hundred Eighty-Eight Dollars and Three Cents (\$23,888.03) of client premium money to pay personal bills is evidence of improper misappropriation of money received in the course of doing insurance business.
6. Further, Indiana Code 27-1-15.6-12(b)(8) allows the Commissioner to permanently revoke an Insurance Producer’s License for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere.
7. Respondent was entrusted by consumers with payments for Seventy-One (71) home and automotive insurance policies, which demonstrated untrustworthiness and

financial irresponsibility in the conduct of business by failing to remit the consumers' money to the carriers.

8. Indiana Code 4-21.5-3-14(c) states that the person requesting an agency take action has the burden of persuasion and the burden of going forward. The Department is requesting that the Commissioner permanently revoke Respondent's Resident Producer License.
9. The Department has met its burden of showing Respondent violated Indiana Code 27-1-15.6-12(b)(4) and 27-1-15.6-12(b)(8) and that Respondent's Resident Producer License should be revoked.
10. Per Indiana Code 27-1-15.6-12(m), the Commissioner may order a licensee to make restitution if the Commissioner finds that the licensee has committed a violation described in Indiana Code 27-1-15.6-12(b)(4) or 27-1-15.6-12(b)(8).
11. As Respondent has committed violations of both Indiana Code 27-1-15.6-12(b)(4) and Indiana Code 27-1-15.6-12(b)(8), an order of restitution is both authorized and appropriate.
12. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated herein as such.

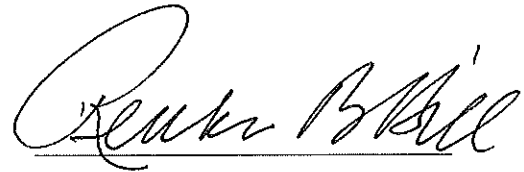
RECOMMENDED ORDER

IT IS THEREFORE RECOMMENDED:

In consideration of the foregoing Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the **Commissioner of Insurance** the following:

1. That Respondent's Resident Producer's License #2136090 be permanently **REVOKED**, effective the date of the Final Order is issued.
2. That Respondent is to pay restitution to IHT Agency in the amount of Twenty-Three Thousand Eight Hundred Eighty-Eight Dollars and Three Cents (\$23,888.03) within One Hundred Eighty (180) days of the date this Final Order is issued.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to the **Commissioner of Insurance** this 3rd day of July, 2018



Reuben B. Hill, Esq.
Administrative Law Judge

Distribution:

Stephen Keene
412 E. Southway Blvd.
Kokomo, Indiana 46902

Erica J. Dobbs, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, Indiana 46204

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 16775-AG17-1214-231

IN THE MATTER OF:)

Stephen P. Keene)
412 E. Southway Blvd.)
Kokomo, Indiana 46902)

Respondent.)

License Number: 2136090)

Type of Agency Action: Enforcement)

FILED

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STATE OF INDIANA
DEPT. OF INSURANCE

STATEMENT OF CHARGES

The Enforcement Division of the Indiana Department of Insurance (“Department”), by counsel, Erica J. Dobbs, pursuant to the Indiana Administrative Orders and Procedures Act, Indiana Code § 4-21.5-1 *et seq.*, files its Statement of Charges against Stephen P. Keene (“Respondent”) as follows:

FACTS

1. Stephen P. Keene (“Respondent”) is a licensed resident insurance producer, holding license number 2136090 since October 25, 1986.
2. Respondent was placed on probation for six (6) months on September 22, 2017 by Final Order of the Indiana Department of Insurance Commissioner (“Commissioner”) under Cause Number 16315-AG17-0807-156 for a violation of Indiana Code § 27-1-15.6-12(b)(8), based on a June, 2017 complaint that Respondent collected premium from a client but failed to obtain coverage for the client. Said complaint appeared to be a singular instance of neglect.
3. Respondent signed an Agreed Entry admitting to the violation.

4. Following the June, 2017 complaint against Respondent, Respondent's employer, IHT Insurance Agency Group, LLC ("IHT") began an internal investigation of Respondent.
5. On or about November 29, 2017, Respondent provided some of the documentation IHT investigators had requested and they began researching policies handled by Respondent.
6. IHT's investigation revealed that Respondent either kept premium submitted by clients and did not issue the purchased policies, or issued the policies and established payment plans for the clients even though the full amount of the premium for their policies had already been paid to Respondent.
7. IHT confronted Respondent with this information, and Respondent admitted misappropriating premium on numerous policies.
8. On or about December 4, 2017, Respondent was terminated for cause from his contractual relationship as an insurance producer with IHT Insurance Agency ("IHT").
9. By the end of their investigation, IHT had discovered seventy-one (71) policies for which Respondent had collected premium from clients and failed to remit said premium to the carriers, totaling \$23,888.03 in misappropriated funds. IHT has paid this missing premium to the carriers on the clients' behalf.

CHARGES

COUNT I

1. Averments 1 through 9 are incorporated fully herein by reference.
2. Respondent's conduct is in violation of Indiana Code § 27-1-15.6-12(b)(4) which provides, in part, that the Commissioner may permanently revoke an insurance producer's license for

improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.

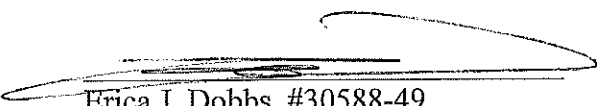
COUNT 2

1. Averments 1 through 9 are incorporated fully herein by reference.
2. Respondent's conduct is in violation of Indiana Code § 27-1-15.6-12(b)(8), which provides, in part, that the Commissioner may permanently revoke an insurance producer's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere.

WHEREFORE, the Enforcement Division of the Indiana Department of Insurance, by counsel, Erica J. Dobbs, requests that the Commissioner set this matter for a hearing pursuant to Indiana Code § 4-21.5, and:

1. Issue an order permanently revoking Respondent's insurance producer license;
2. Issue an order requiring the Respondent to make restitution in the amount of \$23,888.03 to IHT for the premium they paid on customers' behalf; and
3. All other relief just and proper in the premises.

Respectfully submitted,



Erica J. Dobbs, #30588-49
Attorney, Enforcement Division

Erica J. Dobbs
Indiana Department of Insurance
Enforcement Division
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: (317) 234-5887
Facsimile: (317) 232-5251

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served upon the following Respondent by
United States first class mail, postage prepaid, this 19 day of April, 2018.

Stephen P. Keene
412 E. Southway Blvd
Kokomo, Indiana 46902


Erica J. Dobbs

STATE OF INDIANA)
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BEFORE THE INDIANA
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CAUSE NO: 16775-AG17-1214-231

IN THE MATTER OF:)
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Stephen P. Keene)
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Respondent.)
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Resident Producer License #: 2136090)
)
Type of Agency Action: Enforcement)

FILED

FEB 09 2018

STATE OF INDIANA
DEPT. OF INSURANCE

**FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND EMERGENCY ORDER**

The Commissioner of the Indiana Department of Insurance (“Commissioner”), being duly advised, now issues the following Findings of Fact, Conclusions of Law, and Emergency Order:

1. Stephen P. Keene (“Respondent”) is a licensed resident insurance producer, holding license number 2136090.
2. On December 1, 2017, Respondent was terminated for cause from his contractual relationship with IHT Insurance Agency (“IHT”).
3. Evidence has been submitted to the Enforcement Division demonstrating that Respondent has failed on several occasions to forward premium received in the course of business to the insurance carrier binding the coverage.
4. IHT began an audit of Respondent’s accounts after a June, 2017 Indiana Department of Insurance (“IDOI”) Complaint regarding Respondent collecting premium from a

client and the client not obtaining coverage. At that time, the event appeared to be an isolated mistake. As a result, on September 17, 2017, Respondent was placed on probation for a period of six (6) months and fined one thousand dollars (\$1000) under Cause #16315-AG17-0807-156.

5. IHT later determined, as a result of their audit, that Respondent has been keeping premium submitted by clients and not issuing the policies, or establishing payment plans for clients even though their premiums had already been paid.

6. IHT confronted Respondent with this information, and Respondent admitted to misdirecting premium for fifty (50) policies, involving over \$19,000 in premium.

CONCLUSIONS OF LAW

1. Ind. Code § 27-1-15.6-12(b)(8) provides, in part, that the Commissioner may suspend a producer's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere.

2. Additionally, Ind. Code § 27-1-15.6-12(b)(4) provides, in part, that the Commissioner may suspend a producer's license for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.

3. Respondent, as alleged, failed to remit premium received from various clients to the respective insurance carriers.

4. Based on the serious financial risk to Indiana consumers an emergency exists, such that an emergency order is appropriate under Ind. Code § 4-21.5-4-1.

5. This Emergency Order is issued pursuant to Ind. Code § 4-21.5-4-2(a)(1).

6. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated herein as such.

ORDER

With the Findings of Fact and Conclusions of Law as stated above, the Commissioner now orders:

1. Stephen Keene's insurance producer license is hereby immediately suspended for ninety (90) days.

Under Ind. Code § 4-21.5-4-3, this Emergency Order is effective when issued. **Respondent has the right to request a hearing on this Emergency Order by filing a request for a hearing with the Department**, and if requested, an evidentiary hearing will be set on the matter as soon as practicable.

SO ORDERED this 9th day of February, 2018.


Stephen W. Robertson
Insurance Commissioner

Distribution to:

Stephen P. Keene
412 E. Southway Blvd.
Kokomo, Indiana 46902

Dennis Wood, Sr. Insurance Investigator
Indiana Department of Insurance
311 West Washington St., Suite 103
Indianapolis, IN 46204-2787