

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 89523
)	
LISA M. HINES,)	ORDER AND CONSENT
NPN 7064653,)	TO ORDER
Respondent)	

COMES NOW the Iowa Insurance Division (“Division”) pursuant to the provisions of the Iowa Insurance Trade Practices—Iowa Code Chapter 507B and the Iowa Licensing of Insurance Producers Act—Iowa Code Chapter 522B, and seeks the entry of this order (“Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, administers the Iowa Insurance Trade Practices Act—Iowa Code Chapter 507B, and the Iowa Licensing of Insurance Producers Act—Iowa Code Chapter 522B pursuant to Iowa Code § 505.8. Commissioner Gerhart has designated the Iowa Insurance Division to seek enforcement of these provisions.
2. Lisa M. Hines, (“Respondent”), is an individual with a last-known residence address of 2406 9th Avenue SW, Austin, MN 55912.
3. Respondent is an individual with the birth month and date of November 11th.
4. Respondent was licensed in the state of Iowa as a non-resident insurance producer from December 12, 2012 through November 30th 2015. She is licensed under National Producer Number 7064653.
5. From on or about December 2014 through August 2015, Respondent has engaged in acts and practices within the state of Iowa constituting cause for suspension or revocation of her insurance producer license; cease and desist orders; and civil penalties or other relief under Iowa Code Chapters 507B, 522B, and rules adopted pursuant to these chapters.

6. By consenting to the entry of this Order, Respondent admits the jurisdiction of the Division over both her and the subject matter.

7. Respondent admits to the following Stipulated Facts and Conclusions of Law:

II. STIPULATED FACTS

8. Respondent applied for a non-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.

9. The Division issued Respondent a license as an insurance producer on December 12, 2012 and assigned to her National Producer License number 7064653.

10. Respondent’s Iowa non-resident producer license expired on November 30, 2015.

11. Respondent was appointed as an insurance producer of American Family Mutual Insurance Company (“American Family”) from sometime in 2013 until September 8, 2015 when she was terminated for cause.

12. Respondent is the agent of record for two juvenile life policies, one for Insured L.D. and one for Insured O.D.

13. Both of the juvenile life policies have an application date of December 29, 2014.

14. Consumer J.V. is the grandfather of Insured L.D. and Insured O.D.

15. Respondent prepared the applications, signed as the agent of record, and submitted the applications knowing the signatures of the parent for Insured L.D. and Insured O.D. policies were forgeries.

16. In April 2015, Respondent wrote and signed as the agent of record, a juvenile life policy on the child (Insured E.L.) of Consumer T.L., a friend of Consumer J.V.

17. In order to induce Consumer T.L. to acquire this policy, Respondent paid all of the premiums for the policy on Insured C's life in April and all subsequent months.
18. American Family terminated Respondent for cause on September 8, 2015.
19. American Family notified the Division in a letter dated September 25, 2015 that Respondent had been terminated for possible fraudulent activity.
20. The Division's investigator, Wayne Lacher, sent a letter dated October 12, 2015 to Respondent requesting a response to the notification American Family sent the Division regarding the Respondent's termination.
21. The Division did not receive a response from the Respondent.

III. CONCLUSIONS OF LAW

COUNT I

Using Fraudulent and Dishonest Practices and Demonstrating Untrustworthiness

22. Under Iowa Code § 522B.11(1)(h), a license may be revoked or civil penalties levied as provided in section 522B.17 for "using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
23. In December of 2014, Respondent knowingly submitted applications for Insured L.D. and Insured O.D. that contained forged signatures.
24. Knowingly submitting applications with fraudulent signatures is evidence of Respondent's fraudulent and dishonest practices.
25. Respondent used dishonest practices by engaging in the practice of rebating when she induced Consumer T.L. to purchase a juvenile life policy by paying the required premiums.

26. Respondent's conduct in paragraphs 28 – 30 demonstrates untrustworthiness in the conduct of business.
27. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to revocation or suspension of Respondent's insurance producer license and the imposition of a civil penalty.
28. Iowa Code § 522B.11(5) authorizes the enforcement of provisions and imposition of any penalty or remedy authorized under Chapter 522B even if the person's license has been surrendered or has lapsed by operation of law.

COUNT II
Violating Minnesota's Insurance Laws

29. Under Iowa Code § 522B.11(1)(b), a person may be subject to license revocation or civil penalties as provided in 522B.17, if they violate any insurance law, regulation, subpoena, or order of the commissioner, including those of another state.
30. Respondent knowingly submitted juvenile life insurance applications for Insureds L.D. and O.D. that contained forged signatures in December 2014.
31. Respondent engaged in rebating when she induced Consumer T.L. to purchase a juvenile life policy by paying the required premiums.
32. Respondent's actions were a violation of Minnesota Statute § 60K.43 for engaging in dishonest practices and a violation of Minnesota Statute § 72A.08 for rebating.
33. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(b) subjecting Respondent to revocation or suspension of Respondent's insurance producer license and the imposition of a civil penalty.

34. Iowa Code § 522B.11(5) authorizes the enforcement of provisions and imposition of any penalty or remedy authorized under Chapter 522B even if the person's license has been surrendered or has lapsed by operation of law.

COUNT III
Failure to Report Administrative Action

35. Iowa Code § 522B.16 requires a producer to report any administrative actions taken against the producer in another jurisdiction to the Commissioner within thirty days of the final disposition.

36. The Minnesota Commissioner of Commerce ordered Respondent to pay a civil penalty and suspended her resident producer license. This order had an effective date of December 7, 2015.

37. Respondent failed to notify the Commissioner that her license was suspended in Minnesota within thirty days of the order, or at any time thereafter.

38. Respondent's acts and practices have been in violation of Iowa Code § 522B.16 subjecting Respondent to an order to cease and desist and to the imposition of a civil penalty pursuant to Iowa Code § 522B.17.

COUNT IV
Failure to Respond

39. Under Iowa Code § 522B.11(1)(p), a person may be subject to license revocation or civil penalties as provided in 522B.17, if they fail to cooperate in an investigation.

40. The Division's investigator sent a letter to Respondent, dated October 12, 2015, requesting a response to the for cause notification the Division received from American Family.

41. Respondent failed to respond to the Division.

42. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(p) subjecting Respondent to revocation or suspension of Respondent's insurance producer license and the imposition of a civil penalty.

43. Iowa Code § 522B.11(5) authorizes the enforcement of provisions and imposition of any penalty or remedy authorized under Chapter 522B even if the person's license has been surrendered or has lapsed by operation of law.

IV. ORDER

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

A. Hines's Iowa non-resident insurance producer's license is suspended as of the date of this Order for 120 days;

B. Hines is prohibited from using any fraudulent or dishonest practice or engaging in any deceptive or untrustworthy act or practice.

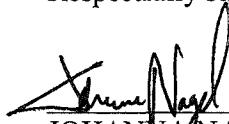
IT IS FURTHER ORDERED that Count I as alleged in the statement of charges is dismissed, and Counts II through V have been renumbered herein.

SO ORDERED on this 19 day of April, 2016.



NICK GERHART
Iowa Insurance Commissioner

Respectfully submitted,



JOHANNA NAGEL
Compliance Attorney

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 any person who violates this order 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 the person 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 REGARDING IMPACT OF ORDER ON EXISTING LICENSES

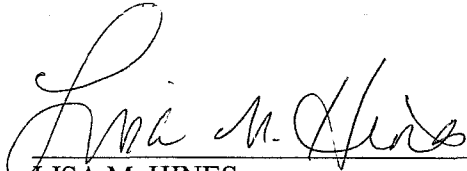
A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and result in license revocation or disciplinary action.

CONSENT TO ORDER AND AGREEMENT

I, Lisa M. Hines, 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 that this Order is considered final administrative action that may be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand that this Order is a public record under Iowa Code Chapter 22, that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(8)(d). I also understand that the information contained in the Order will be posted to the Division's web site and a notation will be made to the publicly available web site record that administrative action has been taken against me.

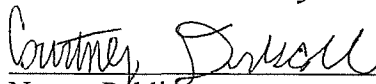
Dated this 30 day of March, 2016.



LISA M. HINES

2406 9th Ave SW Austin, MN 55912
Address of Signatory

Subscribed and sworn before me by Lisa M. Hines on this 30 day of March, 2016.



Notary Public

