

BEFORE THE IOWA INSURANCE COMMISSIONER

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IN THE MATTER OF	)	ORDER AND CONSENT TO ORDER
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JASON R. WATERS	)	DIVISION FILE NO.: 50976
INSURANCE PRODUCER # 234847	)	

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Now comes the Iowa Insurance Division (“Division”), represented by Assistant Commissioner of Insurance, Rosanne Mead, pursuant to the provisions of the Iowa Insurance Trade Practices Act – chapter 507B and the Iowa Licensing of Insurance Producers Act – chapter 522B (the “Acts”), regarding Jason R. Waters’ violations of the Acts. Jason R. Waters admits to the violations contained in this Order and consents to the entry of this Order. Jason R. Waters admits that the Iowa Insurance Division has personal jurisdiction over him and subject matter jurisdiction over this matter.

**PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Susan Voss, pursuant to Iowa Code section 505.8 (2005), administers the Iowa Licensing of Insurance Producers Act.
2. Jason R. Waters (“Waters”) is an individual with a last known home mailing address of 116 Hilltop Drive, Mount Vernon, Iowa 52314.
3. Waters has been a licensed insurance producer in the State of Iowa since May 21, 2001. Waters has been and is an agent of the Banker’s Life & Casualty Insurance Company, a licensed insurance company in Iowa. His insurance producer license number is 234847.
4. Waters has engaged in an act(s) or practice(s) within the State of Iowa constituting a violation of Iowa Code chapters 507B and 522B and/or any rule or order adopted or issued pursuant to Iowa Code chapters 507B and 522B.

## **FACTUAL BACKGROUND**

5. During the time period August 2003 through February 2004, Waters engaged in a practice known in the insurance industry as “ghost writing.” Waters participated through licensed insurance producers Douglas R. Smith (Producer # 120333) and Dennis Riley (Producer # 143429), in an arrangement to sign at least 77 insurance applications as a writing insurance producer, when Waters was not present and did not participate in the sales of insurance products.

6. The purpose of this arrangement was that Waters would earn split commissions on the sales of insurance products, and his sales would earn production credits for Douglas Smith’s production unit of the Cedar Falls branch office of Banker’s Life and Casualty Insurance Company. Twice a month, Waters’ wife would write a check to Douglas Smith to reimburse him for the split commissions received by Waters. At the end of the year, Waters and/or his wife issued an IRS Form 1099 to Douglas Smith to account for the payments to him. Waters deducted the split commission income paid to Douglas Smith on his personal tax returns.

7. Waters’ actions constitute at least 77 violations of Iowa Code section 507B.4(11) by failing to designate on an insurance policy application the licensee who has solicited and written the policy.

8. Waters’ actions constitute at least 77 violations of Iowa Code section 507B.4(10) by making false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual.

9. Waters’ actions demonstrate a lack of the character and competence required to hold an Iowa insurance producer license in violation of Iowa Code section 522B.17.

## **ORDERS**

WHEREFORE, IT IS HEREBY ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code section 505.8 (2005) as follows:

A. Waters shall Cease and Desist violating Iowa Code chapters 507B and 522B and their rules for the acts described above or any other insurance statutes or rules in the State of Iowa.

B. Waters' insurance producer license in the State of Iowa is suspended for 14 calendar days. The suspension shall be served by December 31, 2005 with at least 15 days prior notice to the Division of Waters intent to begin his suspension.

C. Waters will be placed on unsupervised probation for a period of two years from the date of this Order.

D. Waters will cooperate fully with any investigation and agrees to be a witness for the Iowa Insurance Division in any administrative action regarding Bankers Life & Casualty Insurance Company, in general, and the Cedar Falls branch office, in particular.

E. Respondent shall pay a civil penalty of \$750 and \$250 in costs to the Division upon his signing of this Order. A check totaling \$1,000 should be remitted to the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319 with attention to Bob Koppin, Enforcement Attorney.

F. Nothing contained in this Order shall be construed to deprive any person or entity of any private right of action under any law.

G. Nothing contained in this Order shall be construed to limit the authority of the Division to enforce laws, regulations, or rules against Waters.

H. The Iowa Insurance Division reserves its right to take Administrative Action for any violation of the Iowa insurance statutes and/or regulations unknown to the Division at the date of the signing of this Order and Consent to Order.

**ONSENT TO ORDER**

I, Jason R. Waters, 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 also understand that this Order is considered final administrative action that shall be reported by the Division to the Central Registration Depository, if I am securities licensed, and, if I am insurance licensed, to the National Association of Insurance Commissioners and to all insurance companies with which I am actively appointed. I also understand that this Order is a public record under Iowa Code chapter 22 (2005), that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(6)(c) (2005). 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 my publicly available web site record that administrative action has been taken against me.

Dated this 14th day of October, 2005.

/s/ Jason R. Waters

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Jason R. Waters

Subscribed and sworn before me by Corey M. Peterson on this 14th day of October, 2005.

/s/ Corey M. Peterson

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Notary Public

Now comes the Assistant Commissioner of Insurance, Rosanne Mead, and states that the attached Order has been approved by the Undersigned.

Dated this 17th day of October, 2005.

Iowa Insurance Division

/s/ Rosanne Mead

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ROSANNE MEAD  
Assistant Commissioner of Insurance