

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF

Milton W. Anania

National Producer License Number:
6844618

**ORDER AND CONSENT
TO ORDER**

Division Docket No.: 70558

PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Susan E. Voss, administers the Iowa Licensing of Insurance Producers Act, Chapter 522B and enforces the several insurance chapters pursuant to Iowa Code § 505.8.
2. Milton W. Anania (Anania) is an individual with a last known mailing address of 5117 Shriver Avenue Des Moines, Iowa.
3. Anania has engaged in acts and practices within the State of Iowa constituting violations of Iowa Code chapters 507B and 522B.11 and Iowa Administrative Code 191 Chapters 10 and 15. To resolve the Iowa Insurance Division's (Division) allegations, Anania hereby consents to the entry of the Order and Consent to Order.

FACTUAL BACKGROUND

4. Anania is licensed as an insurance producer in the State of Iowa.
5. Anania solicits and sells insurance products in Iowa.
6. Anania operates the Mike Anania Insurance Agency and J & A Insurance Agency.
7. Anania has written 96 insurance policies when he was not licensed to sell insurance in the State of Iowa.

8. Anania has written 1, 700 insurance policies with insurance companies that he did not have the requisite producer appointment with.
9. Anania failed to have appropriate business practices in place to ensure that client funds were handled in a responsible manner by Anania and his employees.
10. Anania on a regular basis would have his insurance clients pay more than the actual premium for their policies.
11. Anania would receive payment for the entire policy premium but only submit a payment for the minimum amount due to the insurance company.
12. Anania would receive a premium payment from a client but would either not submit it to the carrier or submit it several days or weeks later.
13. Anania converted or misappropriated client funds for his personal use.
14. Anania has breached the terms of his Order and Consent to Order with the Division signed in 2004.
15. Anania made misrepresentations on policy applications that were submitted to insurance companies.
16. Anania wrote several letters to Iowa District Court for Polk County on behalf of his clients who were being charged with failure to have insurance. His letters stated that he had failed to get the requested insurance coverage for the client for various reasons.
17. Anania's office was subject to an on sight audit and was found to be run very inefficiently with poor, incomplete and disorganized files and records.

18. Anania has knowingly allowed unlicensed persons acting on his behalf to sell, solicit and negotiate insurance in the State of Iowa without the proper licensure.

VIOLATIONS OF LAW

19. The Division re-alleges and incorporates by reference paragraph 1-16 above as if fully set forth herein.
20. Iowa Code sections 522B.2(1),(2) and 522B.12(2) and Iowa Administrative Code rules 191-10.3(1), (2) and (3) and 10.14(1) state that a person shall not sell or solicit insurance or accept a commission unless the person is licensed.
21. Iowa Code sections 522B.13 and Iowa Administrative Code rule 191-10.15 state that an individual insurance producer who acts as an agent of an insurer must be appointed with that insurer.
22. Iowa Code section 522B.11(1)(b) states that the commissioner may revoke an insurance producer's license for violating an order of the commissioner.
23. Iowa Code section 522B.11(1)(d) states that the commissioner may revoke an insurance producer's license for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.
24. Iowa Code section 522B.11(e) states that the commissioner may revoke an insurance producer's license for intentionally misrepresenting the terms of an application for insurance.
25. Iowa Code section 522B.11(g) states that the commissioner may revoke an insurance producer's license for being found to have committed any unfair trade practice.
26. Iowa Code section 522B.11(1)(h) states that the commissioner may 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 this state or elsewhere.

27. Iowa Code section 522B.11(j) states that the commissioner may revoke an insurance producer's license for forging another name's to an application for insurance or any document related to an insurance transaction.
28. Iowa Code section 522B.11(p) states that the commissioner may revoke an insurance producer's license for failing or refusing to cooperate in an investigation by the commissioner.
29. Iowa Administrative Code rules 191-10.14(4) and 15.8(3)(d) state that an insurance producer may not charge an additional fee for services that are customarily associated with the sale or solicitation of an insurance policy.
30. Iowa Code section 507B.4(5)(b) states that it is an unfair trade practice to knowingly make any false entry or omitting to make a true entry of any material fact of any person in any book, report or statement.
31. Iowa Code section 507B.4(14) states that it is an unfair trade practice to make false statements or representations on an insurance application for the purpose of obtaining a commission.
32. Iowa Administrative Code rule 191-15.8(b)(1) states that it is an improper sales tactic to execute a transaction for an insurance customer without authorization by the customer to do so.
33. Iowa Code section 507B.4(19) and Iowa Administrative Code rule 191-15.8(2)(c)(1) state that it is an unfair trade practice and an improper sales tactic to fail or refuse to furnish any policyholder, upon reasonable request, information to which that individual is entitled or to respond to a formal written request or complaint from any individual.

34. Iowa Administrative Code rule 191-15.8(2)(c)(2) states that it is an improper sales tactic to sell an insurance policy to an individual which is a duplication of policy which the individual owns or has applied for.
35. Iowa Code section 522B.16A places a duty and obligation on an insurance producer to keep at the producer's place of business the usual and customary records pertaining to the business of insurance and to have all these records open and available for inspection by the commissioner or the commissioner's representatives at any time during regular business hours.
36. Iowa Code section 522B.11(1)(I) states that a producer may not knowingly accepting insurance business from an individual who is not licensed.
37. Anania denies all of the allegations including the violations of law set forth in this consent. However, he does acknowledge that the Iowa Insurance Division would likely have sufficient evidence to revoke his license on the allegations contained herein if this matter went to hearing. Anania wants the benefit of signing this consent, mainly the avoidance of paying substantial civil penalties if this matter went to hearing.

ORDER

THEREFORE, IT IS ORDERED THAT:

1. The Iowa insurance producer license of Anania is revoked;
2. Anania shall cease and desist from participating in the business of insurance in Iowa as an owner of an agency and as an insurance producer;
3. Anania is barred from applying for an insurance producer's license in the State of Iowa unless he is able to show that he has responsibly discharged his duties in a fiduciary capacity for a substantial period of time. The Iowa Insurance Division reserves the right to deny his application.
4. The effective date of this Order is May 9, 2011.

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that any person who willfully violates any provision of this order is guilty of a class "D" felony pursuant to Iowa Code section 507A.10(3). A person who willfully violates this order and such violation results in a loss of more than ten thousand dollars is guilty of a class "C" felony pursuant to Iowa Code section 507A.10(4).

Dated this 13th day of April, 2011.
SUSAN E. VOSS
Commissioner of Insurance



BY: Robert Koppin
Enforcement Bureau Chief

CONSENT TO ORDER AND AGREEMENT

I, Milton W, Anania, 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 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 (2011), that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(6)(c) (2011). I also understand that the information contained in the Order will be posted to the Division's web site.

Milton W. Anania
Milton W. Anania

4-12-11
Date

Subscribed and sworn before me by Milton W. Anania on this 12th day of April, 2011.

Kristen Putney
Notary Public for the State of Iowa

