

Iowa Department of Inspections and Appeals
Division of Administrative Hearings
Wallace State Office Building
Des Moines, Iowa 50319

In the Matter of)	
)	No. 13IID005
DANSCO CONTRACTING and)	
DAN GLASGOW,)	
)	PROPOSED DECISION
Respondents)	

This matter concerns a Statement of Charges that was filed by the Iowa Insurance Division (the Division) against Respondents Dansco Contracting and Dan Glasgow on March 15, 2013. The Statement of Charges asserts two counts: 1) that Respondents have violated Iowa Code sections 507A.3 and 507A.5 by acting as unauthorized insurers; and 2) that Respondents violated Iowa Code sections 507B.4(1)(a) and 507B.4(2)(a) by approving of, encouraging or acquiescing to agents, representatives, employees or affiliates, making misleading sales presentations to induce policyholders to sign a form authorizing representation as a public adjuster.

A telephonic contested case hearing was held on June 13, 2013. Attorney Robert Koppin represented the Division. Attorney Curtis Dial represented Dansco Contracting and Dan Glasgow. Compliance officer Wayne Lacher and investigator John Meeker testified for the Division. The Division offered Exhibit 1, which was admitted as evidence.

FINDINGS OF FACT

On September 29, 2011, Division investigator John Meeker began looking into a complaint that the Division had received regarding Respondent Dansco Contracting. During the investigation, the Division received a document from Auto Owners Insurance. The document is titled Insurance Representation Contract. The name Dansco Contracting appears at the top with an address of 2954 Belfast Rd., Argyle, IA 52619. The document reads:

I hereby give Dansco Contracting sole permission to consult with the insurance provider listed below. To meet with and agree upon work to be provided by Dansco Contracting. If I do not further my part of the agreement by having Dansco Contracting complete all repairs. I agree to pay a fee, that will be agreed upon before any inspection or meeting with insurance provider will take place.

...

If nothing is recovered from insurance company then the client listed above owes Dansco nothing.

(Exh. 1).

The document has blanks for the address of repairs; insurance company; homeowner printed name and date; homeowner signature; amount of fee percentage or flat rate; and Dansco representative. Auto Owners is listed as the insurance company; the homeowner is listed as Allan Knisley; and the Dansco representative is listed as Joel Manley. (Exh. 1).

Upon receiving this document, Meeker requested information from the Division's legal department regarding whether this was a "proper contract." Meeker did not speak to either Knisley or Manley, the parties who purportedly signed the document, as part of his investigation. Meeker never made any attempts to discern whether Knisley or Manley actually signed the document. Likewise, Meeker never attempted to contact anyone at Respondent Dansco Contracting to discuss the document. (Meeker testimony).

During the course of the investigation, Division compliance officer Wayne Lacher determined that neither Danny E. Glasgow Jr. nor Joel Manley is licensed as a public adjuster; neither holds any insurance producer license. (Lacher testimony).

On November 18, 2011, the Division issued a Summary Cease and Desist Order to Respondent Dansco Contracting, Respondent Dan Glasgow, and Joel Manley. The Order alleged two counts: 1) that Respondent Dansco Contracting, Respondent Glasgow, and Manley violated Iowa Code sections 507A.3 and 507A.5 by acting as unauthorized insurers; and 2) that Respondent Dansco Contracting, Respondent Glasgow, and Manley violated Iowa Code sections 507B.4(1)(a) and 507B.4(2)(a) by approving of, encouraging, or acquiescing to agents, representatives, employees or affiliates making misleading sales presentations to induce policyholders to sign a form authorizing representation as a public adjuster.

On March 15, 2013, the Division filed a Statement of Charges alleging the same two counts. In the Statement of Charges, however, Joel Manley is not named as a respondent.

CONCLUSIONS OF LAW

A. Unauthorized Insurers

Iowa law requires that in order to operate or represent oneself as a public adjuster in the state of Iowa an individual must be licensed by the insurance commissioner.¹ A public adjuster is any person who, for compensation or any other thing of value, acts on behalf of an insured doing any of the following:

- a. Acting for or aiding an insured in negotiating for or effecting the settlement of a first-party claim for loss or damage to real or personal property of the insured.
- b. Advertising for employment as a public adjuster of first-party insurance claims or otherwise soliciting business or representing to the public that

¹ Iowa Code § 522C.4 (2013).

the person is a public adjuster of first-party insurance claims for loss or damage to real or personal property of an insured.

c. Directly or indirectly soliciting business investigating or adjusting losses, or advising an insured about first-party claims for loss or damage to real or personal property of the insured.²

The Division presented no evidence at hearing directly linking either of the Respondents to the document entitled Insurance Representation Contract that was admitted as Exhibit 1. While the document bears the name of Dansco Contracting, there is no evidence that the Commission contacted any representative of Respondent Dansco Contracting during the investigation, nor did it contact Respondent Glasgow. Likewise, neither of the purported signatories to the contract was contacted during the investigation. There is simply no reliable evidence to establish that Respondent Dansco Contracting or Respondent Glasgow used this contract. Any individual with a computer and a printer could have created this document.

The Insurance Representation Contract represents the sum total of the Division's case here. Without any reliable evidence to link up the contract with Respondent Dansco Contracting or Respondent Glasgow, the Commission has failed to prove that Respondents acted as unauthorized insurers.

B. Unfair or Deceptive Acts or Practices

Iowa law also contains prohibitions against certain specifically enumerated unfair methods of competition and unfair or deceptive acts or practices in the insurance business. The relevant provisions in 2011, when the Division alleges the conduct at issue occurred, provided that the following were unfair methods of competition and unfair or deceptive acts or practices:

1. Making, issuing, circulating, or causing to be made, issued, or circulated, any estimate, illustration, circular, statement, sales presentation, omission, or comparison which misrepresents the benefits, advantages, conditions, or terms of any insurance policy; and

2. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other representation, or statement with respect to the business of insurance or with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.³

² Iowa Code § 522C.2(7) (2013).

³ Iowa Code §§ 507B.4(1)(a); 507B.4(2)(a) (2011). The law was changed in 2012; the current provisions that correspond to the Commission's allegations are Iowa Code §§ 507B.4(3)(a)(1) and 507B.4(3)(b)(1).

The Division has alleged that Respondent Dansco Contracting approved of, encouraged or acquiesced to agents, representatives, employees or affiliates, including Respondent Glasgow, making misleading sales presentations to induce policyholders to sign a form authorizing representation as a public adjuster. The Division presented no evidence regarding any sales presentations – misleading or otherwise – that Respondents engaged in. The Division has failed to prove that Respondents committed an unfair or deceptive act or practice.

ORDER

The Statement of Charges and Summary Cease and Desist Order are dismissed. The Insurance Division failed to prove that Respondents committed the violations alleged. The Insurance Division shall take any action necessary to implement this proposed decision.

Dated this 30th day of July, 2013.



Laura E. Lockard
Administrative Law Judge

cc: Robert Koppin (by Electronic Mail)
Curtis Dial (by Electronic Mail and First Class Mail)

NOTICE

This decision shall become a final decision unless there is an appeal to, or review on motion of, the Insurance Commissioner within 30 days from the date of the decision.⁴ Any adversely impacted party may make an appeal to the Commissioner within 30 days of the date of the decision. The appeal must specify:

- 1) The proposed decision or order appealed from;
- 2) The parties initiating the appeal;
- 3) The specific findings or conclusions to which exception is taken and any other exceptions to the decision or order;
- 4) The grounds for relief; and
- 5) The relief sought.

⁴ 191 IAC 3.27.