

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

IN THE MATTER OF) Docket No. 13IID031
)
MELISSA I. WILLIAMS,) **DEFAULT ORDER**
)
Respondent.)

The Iowa Insurance Division (“Division”) granted the Respondent, Melissa I. Williams, a license to sell insurance as a resident insurance producer in Iowa on May 24, 2007. On October 3, 2013, Notice of Telephone Hearing and Statement of Charges were sent to the Respondent by certified mail and on October 9, 2013, Ms. Williams’s received these documents (verified by her signature). In the Division’s Statement of Charges, the Division asks this administrative tribunal to revoke Ms. Williams’s license and assess a civil penalty against her based on the following issues:

Whether Ms. Williams engaged in unfair or deceptive practices in violation of Iowa Code section 507B.3 by: (1) making improper premium payments to Funeral Directors Life Insurance Company for insurance policies on behalf of her relatives and friends which constitute rebates per 507B.4(3)(i) and (2) making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a commission or other benefit in violation of 507B.4(3)(n).

Whether Ms. Williams violated Iowa Code section 522B.11 by: (1) violating the insurance laws; (2) intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance; (3) providing incorrect, misleading, incomplete, or materially untrue information in a license application, (4) using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business; and (5) forging another’s name to an application for insurance.

A contested case hearing was scheduled for November 25, 2013 at 8:30 a.m. Attorney John Leonhart appeared on behalf of the Insurance Division. Ms. Williams did not appear, nor did anyone for her. The administrative file shows that she was properly served in this matter.

CONCLUSIONS OF LAW

The Insurance Commissioner has general control, supervision, and direction over all insurance business transacted in Iowa, and is responsible for enforcing Iowa laws relating to insurance. Iowa Code § 505.8 (2013).

The Division alleges Ms. Williams engaged in unfair insurance trade practices in her dealings with Funeral Directors Life Insurance Company and with certain insureds. Iowa Code chapter 507B governs insurance trade practices of producers, adjusters and businesses. Iowa Code § 507B.3 precludes a producer from engaging in any trade practice defined to be an unfair method of competition or unfair or deceptive act or practice in the business of insurance. Unfair

competition or methods of competition and unfair and deceptive acts or practices include: (1) making improper premium payments for insurance policies on behalf of her relatives and friends which constitute rebates and (2) making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a commission or other benefit. Iowa Code § 507B.4(3)(i) & (n).

The Division further alleges that Ms. Williams violated insurance laws by (1) intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance; (2) providing incorrect, misleading, incomplete, or materially untrue information in a license application, (3) using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business; and (4) forging another's name to an application for insurance. Iowa Code § 522B.11

The Division may revoke the license of an insurance producer when the producer has violated the above insurance laws of Iowa. In addition, the commissioner may "a civil penalty of not more than one thousand dollars for each act or violation of this subtitle, but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this subtitle, in which case the penalty shall be not more than five thousand dollars for each act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period." Iowa Code §§ 507B.7, 522B.17.

Ms. Williams received proper notice of the hearing, but did not appear. Pursuant to 191—Iowa Administrative Code (IAC) 3.22(1), the administrative law judge may enter a default decision if a party fails to appear at a contested case hearing after receiving proper notice. The Division seeks revocation of Ms. Williams's license and asks that a civil penalty of \$1000 be assessed against her. Based upon her failure to appear at hearing after receiving proper notice, entry of default judgment against Ms. Williams is proper.

ORDER

Ms. Williams is in default because she failed to appear at the November 25, 2013 contested case hearing. Ms. Williams violated the governing statutes as asserted by the Insurance Division. Her producer license is hereby **revoked**, and she is **ordered to pay a \$1,000 civil penalty**. The Insurance Division shall take any steps necessary to implement this decision.

Dated this 25th day of November, 2013.



Carol J. Greta
Administrative Law Judge

cc: Melissa I. Williams
John Leonhart & Irene Vega

NOTICE

A default decision becomes final agency action 15 days from the date the decision was mailed unless a motion to vacate the default decision is filed within that time period. 191—IAC 3.22(3). A motion to vacate must state all the facts upon which the moving party relies to establish good cause for failure to appear or participate at the contested case proceeding. Each fact must be substantiated by at least one affidavit by a person with personal knowledge of the fact, and the affidavit must be attached to the motion.