



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF) DIVISION FILE NO: 82047
 THOMAS WOODS)
)
 National Producer # 17043668) **ORDER OF PROBATIONARY LICENSE**

DECISION

The Iowa Insurance Division properly refused Thomas Woods’ application for an individual resident insurance producer license because he provided incorrect and materially untrue information on the license application. However, as a matter of discretion, Mr. Woods will be granted a probationary license for a term of two years, subject to specific conditions.

Procedure

On January 3, 2014, the Enforcement Bureau of the Iowa Insurance Division, (“Division”) submitted a statement of charges. A hearing on the matter was held on March 25, 2014 and evidence was received. After reviewing the pleadings submitted in the case and the evidence received, we issue the following findings of fact, conclusions of law, and order.

Findings of Fact

1. Thomas A. Woods (“Woods”) is an individual with a last known mailing address of 12345 University Avenue, #2, Clive, Iowa 50325.
2. Woods graduated from the University of Iowa with a degree in business management in December 2011. After brief employment with other industries, on

April 10, 2013 Woods received an employment offer in the business of insurance requiring an insurance producer's license.

3. On April 19, 2013 Mr. Woods, while accompanied by other individuals, became intoxicated. Mr. Woods stated that the occasion, which led to the excessive consumption of alcohol, was "to celebrate my new job and my birthday." On that night his intoxication contributed to a series of criminal activities, including breaking into an automobile, removing a basketball and laptop computer. Later that night Mr. Woods found an unlocked car with the keys in the ignition and while intoxicated, operated the vehicle without the consent of the owner.

4. On May 2, 2013 Mr. Woods applied for a resident insurance producer license to the Division by submitting through the online registry, known as the National Insurance Producer Registry, a Uniform Application for Individual Insurance Producer License ("Application"). Woods was assigned National Insurance Producer Registry license number 17043668. In submitting the Application, Woods designated the Commissioner as agent for service of process.

5. At the time of his Application Woods' age was 23.

6. Woods' Application contained the following background question 1A ("Question 1A"):

1A. Have you ever been convicted of a crime, had a judgment withheld or deferred or are you currently charged with committing a crime?

7. Mr. Woods answered "No" to Question 1A.

8. Mr. Woods' Application contained the following attestation:

1. I hereby certify that under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.

9. Mr. Woods testified that he was careless in filling out the online Application.

10. Mr. Woods' answer to Question 1A was incorrect and materially untrue for the following reasons:

A. As a result of Mr. Woods' conduct on April 19, 2013 and prior to the time he electronically signed the Application and attested to the truthfulness of his answer to Question 1A, Mr. Woods had been charged in the Iowa District Court for Polk County with the class D felony of Criminal Mischief in the Second Degree in violation of Iowa Code 716.1 and 716.4;

B. As a result of Mr. Woods' conduct on April 19, 2013 and prior to the time he electronically signed the Application and attested to the truthfulness of his answer to Question 1A, Mr. Woods had been charged in the Iowa District Court for Polk County with the serious misdemeanor of Operating a Vehicle without Owner's Consent in violation of Iowa Code 714.7;

C. As a result of Mr. Woods' conduct on April 19, 2013 and prior to the time Mr. Woods electronically signed the Application and attested to the truthfulness of his answer to Question 1A, Mr. Woods had been charged in the Iowa District Court for Dallas County with the serious misdemeanor of Operating a Vehicle While Intoxicated in violation of Iowa Code 321J.2(2)(a);

D. On May 16, 2012, Mr. Woods had been sentenced to pay a fine for Public Intoxication in violation of Iowa Code 123.46 in the Iowa District Court for Black Hawk County;

E. On November 4, 2011, Mr. Woods had been sentenced to pay a fine and was placed on probation for Trespass in violation of Iowa Code 716.8(1) in the Iowa District Court for Johnson County;

F. On November 4, 2011, Mr. Woods had been sentenced pay a fine and was placed on probation for Public Intoxication in violation of Iowa Code 123.46 in the Iowa District Court for Johnson County;

G. On May 17, 2011, Mr. Woods had been sentenced pay a fine and was placed on probation until May 17, 2012 for Public Intoxication in violation of Iowa Code 123.46 in the Iowa District Court for Johnson County;

H. On June 10, 2010, Mr. Woods had been sentenced pay a fine for Public Intoxication in violation of Iowa Code 123.46 in the Iowa District Court for Johnson County; and

I. On September 4, 2009, Mr. Woods had been sentenced pay a fine for Public Intoxication in violation of Iowa Code 123.46 in the Iowa District Court for Johnson County.

11. At the hearing Mr. Woods did express remorse for his April 2013 intoxication and related criminal behavior stemming from the “celebration” of a new employment opportunity in the business of insurance. There is ample evidence to support a conclusion that Mr. Woods has abused alcohol during the last 4 years.

Yet, I found Mr. Woods to be a credible witness and sincere in his commitment to receive appropriate treatment to avoid additional abuse. Mr. Woods did accept responsibility for the incorrect and materially untrue answer in his Application, describing it as a careless mistake. While troubling, given his relative youth and inexperience, I find that he is not likely to repeat this type of mistake.

12. The health risks of alcohol abuse are well documented, as well as the fact that it can impair sound judgment. However, I conclude that Mr. Woods also now fully appreciates the risk that alcohol abuse presents to him and his prospective insurance customers.

Conclusions of Law

13. Iowa Code 522B.11(1)(a) provides authority for imposition of license discipline on Mr. Woods. The relevant provision of the statute states:

The commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty as provided in section 622B.17 for any one or more of the following causes:

a. Providing incorrect, misleading, incomplete, or materially untrue information in the license application.

14. Cause has been established by the Division. Mr. Woods has violated Iowa Code section 522B.11(1)(a) by providing incorrect and materially untrue information on his license application.

15. Iowa Code 522B.11(1) also provides broad discretion to the Commissioner in determining appropriate discipline for insurance producers.

Order

NOW, THEREFORE, it is hereby ordered that an individual insurance producer license shall be issued to Thomas Woods after he submits through the National Insurance Producer Registry an amended Uniform Application for Individual Insurance Producer License with correct information, but such license shall be for a probationary term of two years, subject to the following special conditions:

- A. Mr. Woods shall be adequately supervised by a managing general agent or other licensed individual insurance producer with supervisory experience. The identity of this individual shall be reported to the Division no later than May 1, 2014.
- B. Mr. Woods shall file with the Division quarterly reports prepared by his managing general agent, employer or supervising agent describing:
 - 1. The number of meetings of Mr. Woods has made with prospective customers; and
 - 2. A summary of any complaints involving Mr. Woods.
- C. Mr. Woods shall fully comply with all Iowa laws and regulations.
- D. Mr. Woods shall comply with every condition of the two year probation as ordered by the Iowa District Court for Polk County District Court on October 30, 2013.

E. Mr. Woods shall pay no later than May 31, 2014 to the State of Iowa \$2000 as reasonable reimbursement for the costs of investigation associated with Mr. Woods' application for license.

IT IS FURTHER ORDERED that Thomas Woods is permanently ordered to cease and desist from providing any incorrect, misleading, incomplete, or materially untrue information in any license application submitted to the Division.

SO ORDERED this 14 day of April, 2014.



NICK GERHART
Commissioner of Insurance

