

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 89524
)	
BETH HEIFNER,)	ORDER AND CONSENT
NPN 16523557,)	TO ORDER
DOB 07/07/XXXX,)	
Respondent)	

COMES NOW the Iowa Insurance Division (“Division”) pursuant to the provisions of Iowa Code Chapter 507B—Insurance Trade Practices and Iowa Code Chapter 522B—Licensing of Insurance Producers, seeks the entry of this order (“Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, administers Iowa Code Chapter 507B—Insurance Trade Practices and Iowa Code Chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8. Commissioner Gerhart has designated the Iowa Insurance Division to seek enforcement of these provisions.
2. Beth Heifner, (“Respondent”), is an individual with a last-known residence address of 315 N 18th Street, Estherville, IA 51334.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since January 31, 2012. She is licensed under National Producer Number 16523557.
4. Respondent was an appointed agent with American Family Life Assurance Company of Columbus (“AFLAC”) until she was terminated on September 24, 2015 for filing fraudulent claims.
5. In December of 2014, Respondent engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of her insurance producer license;

cease and desist orders; and civil penalties or other relief under Iowa Code Chapters 507B, 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

6. Respondent applied for a resident insurance producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License (“Uniform Application”). In submitting the Uniform Application, Respondent designated the Commissioner as an agent for service of process.
7. The Division issued Respondent a license as an insurance producer on January 31, 2012 and assigned to her National Producer License number 16523557.
8. Respondent was an appointed agent with AFLAC.
9. Respondent submitted twenty-one fictitious claim forms to AFLAC in December of 2014.
10. The submissions included claims for twenty-two treatment occurrences that supposedly took place during the period of February 8, 2010 to December 5, 2011.
11. The fictitious claims were for treatments for Respondent, Respondent’s spouse, and for each of Respondent’s three children.
12. Respondent submitted the fictitious claims using AFLAC’s “Aflac Accidental Injury Form.”
13. In support of each of these claims, Respondent manufactured and submitted a “Health Insurance Claim Form 1500” (“HCFA 1500”). HCFA 1500 is a form that is prepared and signed by the medical provider. A patient may obtain a copy from the provider, but patients are not authorized to complete the HCFA 1500.

14. The medical providers listed on these claims could not verify any treatment on the listed dates.

15. All of the AFLAC claim forms and the corresponding HCFA 1500s were sent from a fax number belonging to Respondent.

16. Respondent received payment for each of the twenty-two fictitious treatment claims from AFLAC between December 29, 2014 and December 31, 2014. Respondent received a total of \$2,555.00 for treatments that neither she nor any member of her family actually received.

17. AFLAC terminated Respondent's appointment on September 24, 2015 after conducting an investigation and determining that Respondent had submitted numerous fraudulent claims.

18. On August 24, 2015, Respondent called AFLAC's investigator and admitted that she had submitted false claims.

19. On November 5, 2015, in response to a letter sent by the Division, Respondent admitted that she had filed false claims with AFLAC.

III. CONCLUSIONS OF LAW

COUNT I

Fraudulent Submissions

20. The Division re-alleges and incorporates by reference paragraphs 1-19 above as though fully set forth herein.

21. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties levied, as provided in section 522B.17, for using fraudulent practices in the conduct of business.

22. Respondent submitted numerous HCFA 1500s in support of the claims knowing that the forms had not been completed and signed by the medical providers as required, but had instead been manufactured and completed by herself.

23. Respondent created the fraudulent submissions in order to receive benefits she was not legitimately entitled to.

24. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to probation, revocation or suspension of Respondent's insurance producer license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging or participating in the business of insurance pursuant to Iowa Code §§ 522B.11 and 522B.17.

COUNT II
Using Dishonest Practices and Demonstrating Untrustworthiness

25. The Division re-alleges and incorporates by reference paragraphs 1-24 above as though fully set forth herein.

26. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties levied, as provided in section 522B.17, for using fraudulent or dishonest practices and for demonstrating untrustworthiness in the conduct of business.

27. Respondent engaged in dishonest practices and demonstrated untrustworthiness in the insurance business by fraudulently submitting twenty-one AFLAC claim forms for medical treatments that did not occur.

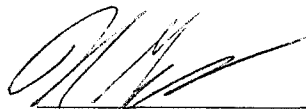
28. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to probation, revocation or suspension of Respondent's insurance producer license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging or participating in the business of insurance pursuant to Iowa Code §§ 522B.11 and 522B.17.

IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted the Commissioner of Insurance by Iowa Code Chapters 522B and 507B:

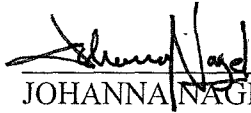
- A. Respondent's Iowa resident insurance producer license is revoked and Respondent shall immediately cease and desist from participating in the business of insurance in Iowa pursuant to Iowa Code §§ 522B.11 and 522B.17;
- B. Respondent shall within 30 days of this order pay to the State of Iowa, Insurance Division, restitution in the amount of \$2,555.00 for claim payments accepted by Respondent for invalid claims, payable to the Settlement Fund of the Iowa Insurance Division pursuant to Iowa Code § 505.8. A check made payable to the Iowa Insurance Division should be remitted along with the signed Order; and
- C. Respondent shall within 30 days of this order pay to the State of Iowa, Insurance Division, a civil penalty in the amount of \$1,000.00 payable to the Iowa Enforcement Fund to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8, 522B.11, 522B.17, and 507B.7. A check made payable to the Iowa Insurance Division should be remitted along with the signed Order.

SO ORDERED on the 6 day of September, 2016.



NICK GERHART
Iowa Insurance Commissioner

Respectfully submitted,



JOHANNA NAGEL

Compliance Attorney

Two Ruan Center

601 Locust St., 4th Floor

Des Moines, IA 50309

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515.725.1255

Attorney for Iowa Insurance Division

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that acting as an insurance producer, as defined in Iowa Code Chapter 522B, in violation of this Order, is a felony under Iowa Code § 507A.10, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

YOU ARE ALSO NOTIFIED that if you violate this order, your license may be subject to revocation and you may be subject to administrative and civil penalties pursuant to Iowa Code § 522B.17(3). The commissioner may petition the district court to hold a hearing to enforce the order as certified by the commissioner. The district court may assess a civil penalty against you in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

NOTICE REGARDING IMPACT OF ORDER ON EXISTING LICENSES

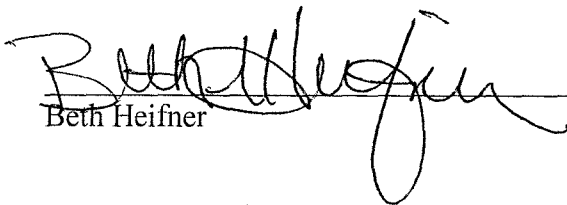
A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and result in license revocation or disciplinary action.

CONSENT TO ORDER AND AGREEMENT

I, Beth Heifner, Respondent in this matter, 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.

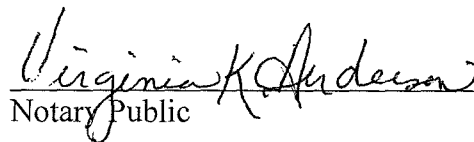
I further understand that this Order is considered a final administrative action that may be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand that this Order is a public record under Iowa Code Chapter 22, which will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(8)(d). I also understand that this Order will be posted to the Division's web site and a notation will be made to the publicly available web site record that administrative action has been taken against me.

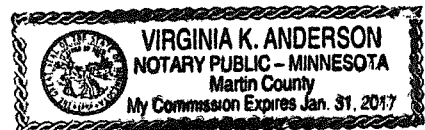
Dated this 29 day of August, 2016.


Beth Heifner

315 N 18th St. Estherville, IA 51334
Address of Signatory

Subscribed and sworn before me by Beth Heifner on this 29 day of August, 2016.


Notary Public



CERTIFICATE OF SERVICE

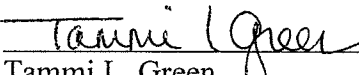
County of Polk)
)
State of Iowa)

The undersigned affiant certifies under penalty of perjury that she has entered the above order into the records of the Iowa Commissioner of Insurance; and on the 8th day of September, 2016, the foregoing order was delivered to the United States Postal Service, postage prepaid, for first class mail to:

Beth Heifner
315 N 18th St
Estherville, IA 51334

I further certify that the foregoing order was sent by email to:

bethheifner@gmail.com



Tammi L. Green
Iowa Insurance Division