



BEFORE THE IOWA INSURANCE COMMISSIONER

---

IN THE MATTER OF	)	Division Case No. 94999
	)	
RODNEY L. PAUL,	)	<b>ORDER &amp; CONSENT TO ORDER</b>
NPN 18028809,	)	
DOB 03/18/XXXX,	)	
	)	
Respondent	)	

---

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and consent of Respondent Rodney L. Paul, pursuant to the provisions of Iowa Code Chapter 507B—Insurance Trade Practices and Iowa Code Chapter 522B—Licensing of Insurance Producers, the Commissioner enters the following Consent Order (“Order”):

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Doug Ommen, directly and through his designees, administers and enforces Iowa Code Chapter 507B—Insurance Trade Practices and Iowa Code Chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Rodney L. Paul (“Respondent”) is an individual with a last-known residence address of 520 E. 4<sup>th</sup> St., Apt. #3, West Liberty, IA 52776-1042.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since July 21, 2016. He is licensed under National Producer Number 18028809.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the commissioner of insurance by committing acts governed by Iowa Code chapters 507B and 522B.
5. From on or about January 27, 2017 to present, Respondent has engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of his 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 July 21, 2016 and assigned to him National Producer Number 18028809.
8. Respondent was appointed as an agent for Combined Insurance until his appointment was terminated by letter dated March 13, 2017 for cause due to non-adherence to the company’s Zero Tolerance Policy for Fraud.
9. Respondent submitted the following thirteen applications (“Thirteen Applications”) to Combined Insurance:
  - a. Application for Specified Disease – Cancer Only Policy dated January 27, 2017 for Consumer D.L.S.
  - b. Application for Specified Disease – Cancer Only Policy dated January 28, 2017 for Consumer L.F.
  - c. Application for Specified Disease – Cancer Only Policy dated January 29, 2017 for Consumer T.L.
  - d. Application for Specified Disease – Cancer Only Policy dated January 29, 2017 for Consumer J.B.
  - e. Application for Specified Disease – Cancer Only Policy dated January 30, 2017 for Consumer H.M.

- f. Application for Accident and Health Insurance dated January 30, 2017 for Consumer D.G.
  - g. Application for Accident and Health Insurance dated January 30, 2017 for Consumer C.M.
  - h. Application for Accident and Health Insurance dated January 31, 2017 for Consumer L.S.
  - i. Application for Accident and Health Insurance dated February 2, 2017 for Consumer G.G.
  - j. Application for Accident Protector Policy dated January 23, 2017 for Consumer Z.H.
  - k. Application for Accident Protector Policy dated January 31, 2017 for Consumer D.M.S.
  - l. Application for Accident Protector Policy date January 1, 2017 for Consumer K.C.
  - m. Application for Accident Protector Policy date January 1, 2017 for Consumer J.C.
10. For each of the Thirteen Applications, Respondent completed and submitted the application without the knowledge of or approval from the proposed insured.
11. For each of the Thirteen Applications, Respondent falsified the day portion of the proposed insured's birthdate resulting in a birthdate with the correct month and year but incorrect day.
12. For each of the Thirteen Applications, Respondent forged the proposed insured's signature.
13. Respondent supplied the incorrect payment account owner on the applications for Consumers D.G., Z.H., D.M.S., K.C., and J.C.

14. Respondent supplied identical payment account information in applications for Consumers D.S. and L.F. despite listing Consumers D.S. and L.F. as the respective payment account owners on each application.
15. Respondent supplied identical payment account information in applications for Consumers J.B., T.L., L.S., G.G., and H.M. despite listing each applicant as the payment account owner on their respective application.
16. Respondent earned \$1,556.24 in commissions from the submission of the applications for Consumers L.F., T.L., J.B., H.M., D.G., C.M., D.M.S., L.S., and G.G.
17. Once the applications were approved, Combined Insurance mailed correspondence to each applicant relating to their new coverage.
18. Combined Insurance spoke with or received correspondence from consumers D.L.S., T.L., J.B, D.G., and Z.H. who each stated they did not speak with Respondent and did not apply for the insurance policy in question.
19. The Iowa Insurance Division spoke with consumers D.M.S., Z.H., and D.G. who each stated they did not speak with Respondent and did not apply for the insurance policy in question.
20. When interviewed by Combined Insurance the applications submitted for L.F., D.L.S., J.B., T.L., L.S., G.G., H.M., D.G., and C.M., Respondent stated he met with each applicant and each applicant supplied the banking or credit card information recorded on the application.
21. In response to the Iowa Insurance Division's request for information, Respondent stated he was not trained correctly on the iPad and was completing practice applications that he did not think would go through.
22. Due to Respondent's medical condition and related treatment, he is unable to work.

### III. CONCLUSIONS OF LAW

#### COUNT 1

##### **Misrepresentations in Insurance Applications**

23. Under Iowa Code § 507B.4(3)(n) a person is prohibited from “[m]aking false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual.”

24. Respondent falsified the day portion of the birthdate for each of the Thirteen Applications submitted resulting in a birthdate with the correct month and year but incorrect day.

25. Respondent’s acts and practices have been in violation of Iowa Code § 507B.3(n) subjecting Respondent to suspension or revocation of Respondent’s insurance producer license, the imposition of a civil penalty, and an order requiring such person to cease and desist from engaging in such act or practice pursuant to Iowa Code § 507B.7.

#### COUNT 2

##### **Improper Sales Tactics**

26. Under Iowa Administrative Code rule 15.8(2)(b), “A producer shall not: (1) Execute a transaction for an insurance customer without authorization by the customer to do so.”

27. Respondent submitted the Thirteen Applications without the consumers having knowledge of or approving the applications.

28. Iowa Administrative Code Chapter 15—Unfair Trade Practices establishes certain minimum standards and guidelines of conduct by identifying unfair methods of competition and unfair or deceptive acts or practices in the business of insurance, as prohibited by Iowa Code chapter 507B.

29. Under Iowa Code § 507B.3, “a person shall not engage in this state in any trade practice which is defined in this chapter, or is determined pursuant to section 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.”

30. Respondent’s acts and practices have been in violation of Iowa Code § 507B and Iowa Administrative Rule 191—15.8(2)(b) subjecting Respondent to suspension or revocation of Respondent’s insurance producer license, the imposition of a civil penalty, and an order requiring such person to cease and desist from engaging in such act or practice pursuant to Iowa Code § 507B.7 and Iowa Administrative Code rule 191—15.14.

**COUNT 3**  
**Using Fraudulent or Dishonest Practices**

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

32. Respondent submitted applications to Combined Insurance for Consumers D.G., Z.H., D.M.S., K.C., and J.C. in which he supplied the incorrect payment account owner.

33. Respondent supplied identical payment account information in applications for Consumers D.S. and L.F. despite listing Consumers D.S. and L.F. as the respective payment account owners on each application.

34. Respondent supplied identical payment account information in applications for Consumers J.B., T.L., L.S., G.G., and H.M. despite listing each applicant as the payment account owner on their respective application.

35. In response to the Combined Insurance and Iowa Insurance Division investigations, Respondent told contradictory stories in order to explain his actions in relation to the Thirteen applications.

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

#### COUNT 4

#### **Forging Another's Name to an Application for Insurance**

37. Under Iowa Code § 522B.11(1)(j), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for "forging another's name to an application for insurance or to any document related to an insurance transaction."

38. Respondent forged each consumer's name on the Thirteen Applications he submitted.

39. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(j) subjecting Respondent to 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 507B and 522B:

- A. Respondent's Iowa resident insurance producer license is immediately revoked pursuant to Iowa Code §§ 507B.7 and 522B.11;

- B. Respondent is permanently prohibited from transacting any insurance business in this state or from selling, soliciting, or negotiating insurance; managing, supervising, compensating, hiring, employing, approving or evaluating any persons required to be licensed insurance producers in this state; or providing any other insurance services to, receiving any compensation, fee or remuneration for any such insurance services from, or being employed by any person or entity engage in the business of insurance in this state, effective on the date of this Order and pursuant to Iowa Code § 505.8(10)
- C. Respondent shall immediately cease and desist from engaging in the acts or practices alleged herein pursuant to Iowa Code §§ 507B.7 and 522B.17; and

SO ORDERED on the 21<sup>st</sup> day of October, 2017.

DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,

Tracy Swalwell  
Iowa Insurance Division  
Two Ruan Center  
601 Locust St. – 4<sup>th</sup> Floor  
Des Moines, Iowa 50309-3738  
Phone: (515) 725-1249

Copy to:  
Rodney L. Paul  
520 E. 4th St., Apt. #3,  
West Liberty, IA 52776-1042  
**RESPONDENT**

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on October 5, 2017.

By:  First Class Mail  Personal Service  
 Restricted certified mail, return receipt  Email, by consent  
 Certified mail, return receipt  \_\_\_\_\_

Signature:   
 Tammi L. Green



**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, 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, Rodney Paul, 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: 9-18-17

Rodney Paul  
Rodney Paul, Respondent

520 E 4<sup>th</sup> street West Liberty, IA 52776  
Address of Signatory

Subscribed and sworn before me by Rodney Paul on this 18<sup>th</sup> day of Sept, 2017.

Cindy L. Mays  
Notary Public for the State of Iowa

