



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 97738
)	
MICHAEL D. GRAHAM,)	ORDER AND
NPN 8605638,)	CONSENT TO ORDER
DOB 10/29/XXXX,)	
)	
Respondent.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Michael D. Graham, pursuant to the provisions of Iowa Code Chapter 507B—Insurance Trade Practices, 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 pursuant to Iowa Code § 505.8.
2. Michael D. Graham (“Respondent”) is an individual with a last-known residence address of 2202 Holiday Road, Coralville, IA 52241.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since June 14, 2016. He is licensed under National Producer Number 8605638.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B.
5. From on or about January 1, 2017 until January 15, 2017, 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 Chapter 507B and rules adopted pursuant to this chapter.

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 June 14, 2016 and assigned to him National Producer Number 8605638.
8. According to Respondent's producer licensing record with the Division, Respondent's residence address is 2202 Holiday Road, Coralville, IA 52241.
9. On January 11, 2017, Respondent submitted five life insurance applications for a family of five fictitious individuals.
10. On January 12, 2017, Respondent submitted two disability insurance applications for two fictitious individuals.
11. All five life insurance applications lapsed due to premium payments returned as unpaid. The bank of record could not locate the account number provided.
12. The two disability applications were declined because income verification was not provided by Respondent when requested.
13. Respondent received no compensation for the applications submitted.
14. The insurance company all seven applications were submitted to conducted an investigation which concluded that the individuals were fictitious as the mailing address, email address, phone numbers, birth dates, and Social Security numbers returned no matches to the names listed.

15. In response to the Division investigator's request for a statement, Respondent admitted the applications he submitted were for fictitious individuals.

16. In his statement, Respondent also stated that he felt pressure to meet a sales quota during a time period in which his father had died from cancer and he took time off work to be with his family.

17. Respondent also admitted to suffering from alcoholism and depression for which he has been seeking inpatient and outpatient treatment.

18. Respondent has voluntarily stopped engaging in the business of insurance.

III. CONCLUSIONS OF LAW

COUNT ONE

Misrepresentation in Insurance Applications

19. The Division re-alleges and incorporates by reference paragraphs 1-18 above as though fully set forth herein.

20. 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.”

21. Respondent submitted five life applications and two disability applications for fictitious individuals.

22. 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, to the imposition of a civil penalty, an order requiring Respondent to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of

the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 507B.7 and 505.8.

IV. ORDER

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

- A. Respondent's Iowa resident insurance producer license is immediately revoked pursuant to Iowa Code § 507B.7;
- B. Respondent, pursuant to Iowa Code § 507B.7, shall immediately cease and desist from engaging in the business of insurance in this state;
- C. Respondent is prohibited from applying for an insurance license in this state for ten years from the date of this Order; and
- D. Respondent shall, contemporaneously with this Order, pay a civil penalty, in the amount of \$100.00, payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8 and 507B.7.

SO ORDERED on the 4th day of May, 2018.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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601 Locust St., 4th Floor

Des Moines, IA 50309

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Attorney for Iowa Insurance Division

Copy to:
Michael D. Graham
2202 Holiday Road
Coralville, IA 52241
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 May 4, 2018.

By: First Class Mail May 7 Personal Service
 Restricted certified mail, return receipt Email, by consent May 4
 Certified mail, return receipt

Signature: Hilary Foster
Hilary Foster

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 REISSUANCE

Upon entry of this Order, your insurance producer license will become inactive due to revocation. While your license is inactive, you are prohibited from conducting the business of insurance. Your license will not be active until the Division makes the determination to reissue your insurance producer license by order pursuant to Iowa Administrative Code 191—10.10.

Reissuance of your insurance producer license is subject to the discretion of the Commissioner. Additionally, it will not be granted unless and until you have complied with the terms of this Order, made the appropriate Application for Reissuance with the Division, and paid all applicable fees. If applicable, you may also be required to apply for licensure through the National Insurance Producer Registry (NIPR) and pay all applicable fees.

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, Michael D. Graham, 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 § 505.8(8)(d). I also understand that this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

Dated: 4-30-2018

208 6th St
Apartment A-5
Coralville, IA
52241



Michael D. Graham, Respondent

Address of Signatory

Subscribed and sworn before me by Michael D. Graham on this 30 day of April, 2018.

Jeanna Otto
Notary Public for the State of Iowa
County of Johnson

