



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 98906
)	
JEFFREY L. PETERSON,)	ORDER AND
NPN 275725,)	CONSENT TO ORDER
DOB 07/05/XXXX,)	
)	
Respondent)	

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

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Doug Ommen, directly and through his designees, administers and enforces Iowa Code Chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Jeffrey Peterson (“Respondent”) is an individual with a last-known residence address of 11122 Maplehurst Drive, Iowa Falls, Iowa 50126.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since April 18, 1985. He is licensed under National Producer Number 275725.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.
5. From April 12, 2017 through October 12, 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; civil penalties; or other relief under Iowa Code Chapter 522B and rules adopted pursuant to this chapter.

II. FINDINGS OF FACT

6. Respondent applied for a resident insurance producer license with the Division and the Division issued Respondent a license as an insurance producer on April 18, 1985 and assigned to him National Producer Number 275725.

7. Respondent most recently renewed his resident insurance producer license with the Division on June 14, 2018 by submitting an application for renewal through the National Insurance Producer Registry. In this renewal application, Respondent designated the Commissioner as an agent for service of process.

8. Respondent was an appointed producer with Prudential Insurance Company of America (“Prudential”) from November 16, 2009 through December 9, 2016.

9. Respondent was not an appointed producer with Prudential nor was he the agent of record during the relevant time period of April 12, 2017 through October 12, 2017.

10. Prudential’s Corporate Investigations Division (CID) submitted a Uniform Suspected Insurance Fraud Reporting Form to the Division on December 19, 2017 (“Prudential Report”).

11. The Prudential report stated that Respondent telephoned Prudential on seven occasions and impersonated the following five Iowa insureds: Insured SW; Insured BW; Insured VM; Insured JB; and Insured LM.

12. Insureds BW and LM are female and Insureds SW, VM, and JB are male.

April 12, 2017 Call

13. Respondent called Prudential on April 12, 2017 and identified himself as Insured BW to the customer service representative (“CSR”). Respondent provided Insured BW’s personally identifiable information including her social security number, date of birth, and policy number.

14. Respondent asked for the cash value and surrender value of Insured BW's policy as well as the current surrender charge percentage.

15. Respondent also asked the Prudential CSR where to send transfer paperwork.

16. Prudential logged this call as incoming from telephone number ending in 0508. Prudential records identify this number as belonging to Respondent.

August 17 and 18, 2017 Calls

17. Respondent called Prudential on August 17, 2017, and once again, identified himself as Insured BW to the CSR. Respondent provided Insured BW's personally identifiable information including her social security number, date of birth, and policy number.

18. When asked by the CSR how Respondent was related to the contract, Respondent once more asserted that he was the insured, Insured BW.

19. Respondent called Prudential on August 17th to inquire into the status of the transfer of Insured BW's policy.

20. Prudential logged this call as incoming from telephone number ending in 0508. Prudential records identify this number as belonging to Respondent.

21. Due to a system error, Prudential was unable to provide the requested information during the August 17th call.

22. Respondent called Prudential the following day, August 18, 2017, to inquire into the status of Insured BW's policy transfer.

23. Respondent identified himself as Insured BW and provided Insured BW's personally identifiable information. This was the third call in which Respondent had identified himself as Insured BW.

24. Prudential logged this call as also incoming from telephone number ending in 0508. Prudential records identify this number as belonging to Respondent.

August 24, 2017 Call

25. Respondent called Prudential on August 24, 2017 and identified himself as Insured SW to the CSR.

26. Respondent called Prudential to inquire into the status of the transfer of Insured SW's policy.

27. Prudential logged this call as incoming from telephone number ending in 0508. Prudential records identify this number as belonging to Respondent.

October 6, 2017 Calls

28. Respondent called Prudential twice on October 6, 2017.

29. During the first call, Respondent identified himself as Insured JB to the CSR. Respondent provided Insured JB's personally identifiable information including his social security number, address, and name of beneficiary.

30. Respondent called Prudential to inquire into the value of Insured JB's contract. After receiving the value information, Respondent asked the CSR for the values of Insured LM's, Insured JB's wife, contract.

31. Respondent stated that he was an authorized person on Insured LM's account and provided the CSR with Insured LM's social security number.

32. The CSR informed Respondent that Insured JB was not an authorized party on Insured LM's account and, consequently, Insured LM would be required to call in herself and request the account values.

33. Mere minutes after the termination of the first call, Prudential received another call from Respondent, this time identifying himself as Insured LM.

34. The CSR noted as a discrepancy that the telephone caller's voice sounded male, but that the policy information was for a female insured.

35. Respondent was informed that Prudential's system was down and the insurer would need to call back later.

36. Both calls originated from the same telephone number ending in 0508. Prudential records identify this number as belonging to Respondent.

October 12, 2017 Call

37. Respondent called Prudential on October 12, 2017 and identified himself as Insured VM to the CSR. Respondent provided Insured VM's personally identifiable information including his social security number, date of birth, and address.

38. Respondent called Prudential to inquire into the surrender charge associated with Insured VM's contract and to ask where to send the transfer forms.

39. Prudential logged this call as incoming from telephone number ending in 0508. Prudential records identify this number as belonging to Respondent.

Prudential Investigation

40. As a result of the suspicious calls, Prudential opened an investigation into Respondent and reviewed all 2017 incoming calls from the telephone number in 0508.

41. During the course of Prudential's investigation, Respondent admitted to impersonating the five insureds on the telephone calls and told Prudential that he was attempting to help his clients by querying the status of their annuity transfers from Prudential to EquiTrust Life Insurance Company ("EquiTrust").

Division Investigation

42. At the time of Respondent's calls regarding their policies, Insured SW, Insured BW, and Insured VM were in the process of transferring their existing Prudential policies to EquiTrust. Respondent is the agent of record on the EquiTrust policies.

43. At the time of Respondent's calls regarding their policies, Insured JB and Insured LM needed their Prudential contract information to provide to their financial planner and contacted Respondent because he originally sold them the Prudential policy.

44. However, none of the insureds stated that they had provided Respondent with authority to call Prudential and identify himself as them.

45. None of the insureds were aware that Respondent was no longer appointed with Prudential.

46. The telephone number Respondent used to call Prudential is also the business telephone number provided by the Respondent and recorded in the producer licensing record.

47. During an interview conducted by a Division investigator on June 21, 2018, Respondent admitted to calling Prudential on numerous occasions, using his telephone number ending in 0508, and representing himself as the five insureds. Respondent asserted that he impersonated the five insureds in order to help them by obtaining policy information and that he did not benefit financially.

48. Respondent was the agent of record on the new EquiTrust policies and received commissions as a result of the transfer of policies.

III. CONCLUSIONS OF LAW

COUNT ONE

Using Fraudulent or Dishonest Practices and Demonstrating Untrustworthiness

49. 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 in the conduct of business in this state.

50. Respondent telephoned an insurer on numerous occasions and falsely identified himself as five different insureds. Respondent admitted to both the insurer and the Division investigator that he had impersonated the five insureds.

51. In order to deceive and circumvent the insurer's authentication requirements, Respondent represented himself as each insured and provided each insured's personally identifiable information.

52. Respondent telephoned the insurer and impersonated Insured LM only mere minutes after being told, while impersonating Insured JB, that the insurer could not give Insured JB his wife's policy information and that she would need to call the insurer personally.

53. Respondent was able to obtain confidential policy information that the insurer would not have provided if Respondent had truthfully identified himself.

54. Respondent used fraudulent or dishonest practices and demonstrated untrustworthiness in the conduct of business in this state when he called an insurer on seven different occasions and impersonated five insureds.

55. Respondent used fraudulent or dishonest practices and demonstrated untrustworthiness in the conduct of business in this state when he impersonated five insureds without their knowledge or consent.

56. 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, 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 §§ 522B.11, 522B.17, and 505.8.

IV. ORDER

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

- A. Respondent's Iowa resident insurance producer license is suspended for 60 days, effective August 17, 2018 through October 16, 2018 pursuant to Iowa Code § 522B.11;
- B. Respondent shall, contemporaneously with this Consent Order, pay a civil penalty, in the amount of \$700.00, 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, 522B.11, 522B.17, and 507B.7;
- C. Respondent shall, contemporaneously with this Consent Order, pay the amount of \$800.00 for costs of investigation and prosecution pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the

Iowa Enforcement Fund, to provide funds for insurance enforcement and education;
and

D. Any unpaid penalties and other ordered monetary amounts may be referred to the
State of Iowa Department of Revenue for collection.

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


DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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Copy to:
Jeffrey Peterson
11122 Maplehurst Drive
Iowa Falls, Iowa 50126
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 August 8, 2018.

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

Signature: 

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 REINSTATEMENT

Upon entry of this Order, your insurance producer license will become inactive due to suspension. 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 reinstate your insurance producer license by order pursuant to Iowa Administrative Code 191—10.10.

Reinstatement 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 Reinstatement 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.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this contested case. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.

CONSENT TO ORDER AND AGREEMENT

I, Jeffrey Peterson, 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: July 30, 2018

Jeffrey I. Peterson
Jeffrey Peterson, Respondent

11122 maplehurst The Falls IA 50126
Address of Signatory

Subscribed and sworn before me by Jeffrey Peterson on this 1 day of August, 2018.

Jinel E. Morris
Notary Public for the State of Iowa

