

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 97894
)	
COVALS DOUZE,)	FINDINGS OF FACT,
NPN 17520264,)	CONCLUSIONS OF LAW,
DOB 08/02/XXXX,)	AND FINAL ORDERS
)	
Respondent)	

DECISION

Respondent Covals Douze’s (“Respondent”) nonresident insurance producer license is revoked and Respondent is barred from applying for an insurance producer license in Iowa for a period of fifteen years. Respondent is ordered to cease and desist from soliciting or selling insurance in this state, ordered to pay \$40,000.00 in civil penalties, and ordered to pay \$3,895.00 in costs of the investigation and prosecution due to Respondent’s actions of unlawfully submitting a life insurance application for a consumer without their authorization or knowledge to do so, demonstrating untrustworthiness, failing to cooperate with a Division investigation, failing to update his addresses, and failing to participate in this contested matter.

On April 16, 2018, the Iowa Insurance Division (“Division”) filed a Statement of Charges against Respondent for alleged violations of Iowa Code Chapters 507B and 522B as well as Iowa Administrative Code Chapter 15. A Notice of Hearing was issued by the Commissioner on April 24, 2018 setting this matter for a prehearing conference on July 5, 2018 and for a hearing on July 16, 2018. An Amended Notice of Hearing was issued by the Commissioner on June 27, 2018 setting the prehearing conference on August 17, 2018 and the hearing on August 30, 2018.

Respondent failed to file an answer to the Statement of Charges. Respondent did not attend the pre-hearing conference held on August 17, 2018.

The hearing was held on August 30, 2018 at 1:00 p.m. before Commissioner Douglas Ommen at the offices of the Iowa Insurance Division, Two Ruan Center, 601 Locust St., 4th Floor, Des Moines, Iowa. Respondent did not appear. The Division was represented by Compliance Attorney Johanna Nagel.

At hearing, the following witnesses appeared on behalf of the Division and were examined: Hilary Foster, administrative assistant, Iowa Insurance Division; and Craig Hayden, compliance investigator, Iowa Insurance Division.

At hearing, the following exhibits were entered into the record for the Division:

1. Affidavit of Kayla Crow
2. Division's Notification Attempts Chart including attachments
3. Americo Fraud Report
4. Letter dated September 14, 2017 from Americo to the Division
5. Agent Statement Requests and Replies
6. Consumer AJ Sales Documents
7. Consumer AJ Policy Documents
8. Division Interview Summary
9. Telephone Call between Americo and Consumer AJ
10. Letter dated October 24, 2017 from Division investigator to Respondent at Oakland Park address
11. Returned certified Oakland Park mailing
 - 11-A Envelope
 - 11-B Enclosed
12. Returned regular U.S. Mail Oakland Park mailing
 - 12-A Envelope
 - 12-B Enclosed
13. Letter dated October 24, 2017 from Division investigator to Respondent at Coconut Creek address
14. Certified Mailing Receipt to 3533 Wiles Road, Apt. 202, Coconut Creek, Florida 33073
15. Letter dated November 16, 2017 from Division investigator to Respondent at Fort Lauderdale address
16. Returned certified Fort Lauderdale mailing
 - 16-A Envelope
 - 16-B Enclosed
17. Returned regular U.S. Mail Fort Lauderdale mailing
 - 17-A Envelope
 - 17-B Enclosed
18. Division's Preliminary Cost Accounting

The record was kept open to receive additional evidence of the Division’s costs of investigation and prosecution of the matter. Exhibit 19 has been received into evidence and the record is closed.

As Respondent was not present at the hearing, did not file an answer, nor contest the charges, the Division’s allegations are deemed admitted.

NOW THEREFORE, after reviewing the pleadings submitted in this case and the evidence received, the Commissioner of Insurance issues the following findings of fact, conclusions of law, and orders:

I. FINDINGS OF FACT

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code Chapter 507B—Insurance Trade Practices, Iowa Code Chapter 522B—Licensing of Insurance Producers, Iowa Administrative Code Chapter 10—Insurance Producer Licenses and Limited Licenses, and Iowa Administrative Code Chapter 15—Unfair Trade Practices pursuant to Iowa Code § 505.8. (Statement of Charges ¶ 1).
2. Covals Douze (“Respondent”) is an individual with a last-known residence address of 3533 Wiles Road, Apt. 202, Coconut Creek, Florida 33073. (Statement of Charges ¶ 2).
3. Respondent applied for a nonresident 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. (Statement of Charges ¶ 6).
4. The Division issued Respondent a license as an insurance producer on May 19, 2016 under National Producer Number 17520264. (Statement of Charges ¶ 7).

5. Respondent is and has been licensed in the state of Iowa as a nonresident insurance producer since May 19, 2016 under National Producer Number 17520264. (Statement of Charges ¶ 3).

6. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B. (Statement of Charges ¶ 4).

7. From on or about December 2016, 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 Chapters 507B and 522B and rules adopted pursuant to these chapters. (Statement of Charges ¶ 5).

A. Notice of Hearing

8. Respondent designated the Commissioner as his agent for service of process and both the Statement of Charges and the Notice of Hearing were personally served upon the Commissioner. The Division made substantial efforts to notify the Respondent by mailing at the residence, mailing, and business addresses required to be maintained as a condition of his producer license.

9. The Division sent the Notice of Hearing, Amended Notice of Hearing, and the Statement of Charges to Respondent at his residence address on record by first class mail. The first class mail was returned to the Division as “return to sender-attempted-not known-unable to forward.” Additionally, the Division requested that the Broward County Sheriff’s Office personally serve the Respondent at his residence address of record. The Broward County Sheriff’s Office was unable to serve Respondent as he no longer resided at his address of record. (Testimony of Hilary Foster; Ex.2).

10. Notification of hearing and Statement of Charges were also sent to an alternative address associated with Respondent, which was discovered by the Division using online investigative software, by first class mail and restricted certified mail, return receipt requested. The restricted certified mail was returned to the Division as "UNC" indicating Respondent had not claimed the certified mail. At the time of the hearing, the first class mailing had not been returned to the Division. The Division also provided the Broward County Sheriff's Office with the alternative address to personally serve Respondent. The Broward County Sheriff's Office was unable to serve Respondent at the alternate address and was informed by the current tenant that Respondent had moved out after a break-up with that tenant and his current address was not known to the tenant. (Testimony of Hilary Foster; Ex.2).

11. Furthermore, the Division sent the Notice of Hearing, Amended Notice of Hearing, and the Statement of Charges to Respondent at the address on record as his business and mailing address by first class mail and restricted certified mail, return receipt requested. Both the first class mail and restricted certified mail were returned to the Division noting that the business was closed. (Testimony of Hilary Foster; Ex.2).

12. The Division sent the Notice of Hearing, Amended Notice of Hearing, and the Statement of Charges to Respondent at an alternate business mailing address, found on the business' website, by first class mail and restricted certified mail, return receipt requested. Both the first class mail and restricted certified mail were returned to the Division noting that the business was closed. (Testimony of Hilary Foster; Ex.2).

13. Additionally, the Division sent the Notice of Hearing, Amended Notice of Hearing, and the Statement of Charges to Respondent at his residence, business, and mailing address on record with the Florida Division of Insurance, his home state. The mailings were sent by first class mail

and restricted certified mail, returned receipt requested. Neither the first class mail nor restricted certified mail were returned to the Division as of the date of the hearing. (Testimony of Hilary Foster; Ex.2).

14. Lastly, the Division sent the Notice of Hearing, Amended Notice of Hearing, and the Statement of Charges to Respondent by electronic mail to his e-mail address of record with the Division and a different e-mail address of record with the Florida Division of Insurance. No e-mail bounce-backs or delivery failure notifications indicating that the electronic mailings had not been transmitted were received. A read receipt was generated by one of Respondent's e-mail addresses. (Testimony of Hilary Foster; Ex.2).

15. As the Division has clearly made substantial attempts to notify the Respondent of this matter and the Commissioner was personally served as Respondent's designated agent for service of process, due process has been met and the service on Respondent is effective.

B. Merits of the Matter

16. Respondent was an appointed producer with Americo Financial Life and Annuity Insurance Co. ("Americo") during the relevant time period prior to his termination. (Statement of Charges ¶ 8; Testimony of Craig Hayden).

17. As a result of a new business red flag report, Americo identified numerous applications submitted by Respondent that had identical IP addresses and email addresses. (Statement of Charges ¶ 9; Testimony of Craig Hayden; Ex.3; Ex.4).

18. These product sales are not conducted face to face and applicants are required to receive the documents, which need to be electronically signed during the application process, by email. (Statement of Charges ¶ 10; Testimony of Craig Hayden; Ex.3; Ex.4).

19. Americo contacted Respondent on January 24, 2017 requesting an agent statement regarding the initial policies flagged as potentially suspect transactions. (Statement of Charges ¶ 11; Testimony of Craig Hayden; Ex.4; Ex.5).

20. Respondent told Americo that he provided the shared email address, tag.cc@yahoo.com, for several different consumers because they did not have their own existing email address in order to view and digitally sign the policy documents. (Statement of Charges ¶ 12; Testimony of Craig Hayden; Ex.4; Ex.5).

21. Upon further investigation, Americo discovered additional suspect transactions for which Respondent was the agent of record. (Statement of Charges ¶ 13; Testimony of Craig Hayden; Ex.3; Ex.5).

22. Several consumers contacted Americo and stated that they thought they were applying for a health insurance policy, but were actually issued a life insurance policy they did not request, apply, or sign for. (Statement of Charges ¶ 14; Testimony of Craig Hayden; Ex.3; Ex.5).

23. Iowa resident, Consumer AJ, was one of the consumers who contacted Americo about an unwanted policy. (Statement of Charges ¶ 15; Testimony of Craig Hayden; Ex.4; Ex.8).

Consumer AJ

24. An application for individual life insurance, dated December 1, 2016, was submitted in Consumer AJ's name and listed Respondent as the agent of record. (Statement of Charges ¶ 16; Testimony of Craig Hayden; Ex.6).

25. The application was emailed to tag.cc@yahoo.com, the email address listed for Consumer AJ. (Statement of Charges ¶ 17; Testimony of Craig Hayden; Ex.6).

26. The application bears an electronic signature for Consumer AJ. (Statement of Charges ¶ 18; Testimony of Craig Hayden; Ex.6).

27. Consumer AJ did not electronically sign the application or authorize anyone to sign on her behalf. (Statement of Charges ¶ 19; Testimony of Craig Hayden; Ex.8).

28. Americo sent the electronic policy documents to tag.cc@yahoo.com on December 1, 2016 at 4:08 p.m. and an individual using tag.cc@yahoo.com viewed the document at 4:08 p.m. and signed the document at 4:08 p.m. (Statement of Charges ¶ 20; Testimony of Craig Hayden; Ex.6).

29. Respondent was sent the document on December 1, 2016 at 4:08 p.m., viewed the document at 4:09 p.m., and signed the document at 4:09 p.m. (Statement of Charges ¶ 21; Testimony of Craig Hayden; Ex.6).

30. The IP addresses recorded for the individual purporting to be Consumer AJ and Respondent are the same. The recorded IP address is associated with a computer in Respondent's office in Florida. (Statement of Charges ¶ 22; Testimony of Craig Hayden; Ex.3; Ex.5; Ex.6).

31. Americo issued Consumer AJ a life insurance policy ending in 7241 effective December 15, 2016. (Statement of Charges ¶ 23; Testimony of Craig Hayden; Ex.7).

32. Consumer AJ received a paper copy of the policy documents by mail. (Statement of Charges ¶ 24; Testimony of Craig Hayden; Ex.7).

33. Consumer AJ called Americo on December 20, 2016 and stated she received policy documents for a policy she never applied for. Consumer AJ stated she was not aware that a life insurance policy had been submitted in her name and understood that she was applying for a health insurance policy, not a life insurance policy. (Statement of Charges ¶ 25; Testimony of Craig Hayden; Ex.7; Ex.9).

34. Consumer AJ requested that the unwanted policy be cancelled. Americo cancelled the policy effective December 20, 2016. (Statement of Charges ¶ 26; Testimony of Craig Hayden; Ex.7; Ex.9).

35. Americo submitted a report, to relevant fraud bureaus, for alleged fraud regarding twenty-four applications for life insurance, issued in nine different states, for which Respondent was the agent of record. (Statement of Charges ¶ 27; Testimony of Craig Hayden; Ex.3).

36. During an interview with a Division investigator on October 12, 2017, Consumer AJ stated that she was visiting an Obamacare website during the open enrollment period in December of 2016 and received a telephone number to call for additional information. (Statement of Charges ¶ 28; Testimony of Craig Hayden; Ex.8).

37. Consumer AJ explained to the Division investigator that she did not discuss life insurance options during her call with Respondent. (Statement of Charges ¶ 29; Testimony of Craig Hayden; Ex.8).

38. Consumer AJ did not answer any of the health questions listed on the life insurance application. (Statement of Charges ¶ 30; Testimony of Craig Hayden; Ex.8).

39. Consumer AJ has maintained an email address for several years and her email address is not, nor has ever been, tag.cc@yahoo.com. (Statement of Charges ¶ 31; Testimony of Craig Hayden; Ex.8).

40. Consumer AJ has never utilized the email address of tag.cc@yahoo.com. (Statement of Charges ¶ 32; Testimony of Craig Hayden; Ex.8).

41. Consumer AJ did not electronically sign any application or policy documents as a result of the phone call with Respondent. (Statement of Charges ¶ 33; Testimony of Craig Hayden; Ex.8).

42. Consumer AJ did provide bank account information during the phone call with Respondent, but she believed that any amounts charged to her were expenses for the health insurance policy she requested. (Statement of Charges ¶ 34; Testimony of Craig Hayden; Ex.8).

Division's Attempted Communications with Respondent

43. The Division investigator sent Respondent a letter dated October 16, 2017, stating that the Division was conducting an investigation and Respondent needed to arrange a time to be telephonically interviewed. The letter was emailed to Respondent at the email address listed in his producer licensing record. (Statement of Charges ¶ 35; Testimony of Craig Hayden).

44. The Respondent never responded to the Division's email. (Statement of Charges ¶ 36; Testimony of Craig Hayden).

45. The Division investigator attempted to reach Respondent telephonically at the telephone number listed in the producer licensing record on or about the following dates:

- a. October 24, 2017;
- b. November 1, 2017; and
- c. November 2, 2017.

(Statement of Charges ¶ 37; Testimony of Craig Hayden).

46. The Division investigator left a voicemail on each of the days specified requesting Respondent return the Division's call. (Statement of Charges ¶ 38; Testimony of Craig Hayden).

47. The Division investigator also attempted to reach Respondent using other numbers the investigator identified as being associated with the Respondent. (Statement of Charges ¶ 39; Testimony of Craig Hayden).

48. Respondent failed to respond to any of the Division's telephone calls. (Statement of Charges ¶ 40; Testimony of Craig Hayden).

49. The Division investigator sent the following letters to the addresses associated with the Respondent, including the address listed in his producer licensing record:

- a. dated October 24, 2017, by certified and regular mail, to 2460 NW 33rd Street, Unit 1704, Oakland Park, Florida, 33309. Both the certified and regular mail were returned to the Division; (Statement of Charges ¶ 41; Testimony of Craig Hayden; Ex.11-A; Ex.11-B; Ex.12-A; Ex.12-B)
- b. dated October 24, 2017, by certified and regular mail, to 3533 Wiles Road, Apartment 202, Coconut Creek, Florida 33073. Tracking for the certified mailing shows that the certified mailing was successfully delivered and signed for on October 30, 2017; (Statement of Charges ¶ 41; Testimony of Craig Hayden; Ex.13; Ex.14)
- c. dated November 16, 2017, by certified and regular mail, to 2460 NW 33rd Street, Unit 1704, Fort Lauderdale, Florida, 33309. The certified mail was returned to the Division as “Return to Sender—Attempted-Not Known—Unable to Forward.” (Statement of Charges ¶ 41; Testimony of Craig Hayden; Ex.15; Ex.16-A; Ex.16-B; Ex.17-A; Ex.17-B)

50. Respondent failed to respond in any way to the Division’s letters. (Statement of Charges ¶ 42; Testimony of Craig Hayden).

II. CONCLUSIONS OF LAW

COUNT ONE **Unfair Sales Tactics**

51. 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.”

52. Iowa Code § 507B.6 provides:

Whenever the commissioner believes that any person has been engaged or is engaging in this state in any unfair method of competition or any unfair or deceptive act or practice whether or not defined in section 507B.4, 507B.4A, or 507B.5 and that a proceeding by the commissioner in respect to such method of competition or unfair or deceptive act or practice would be in the public interest, the commissioner shall issue and serve upon such person a statement of the charges in that respect and a notice of a hearing on such charges to be held at a time and place fixed in the notice, which shall not be less than ten days after the date of the service of such notice.

53. Iowa's Insurance Trade Practices law and its prohibitions of "unfair method of competition or any unfair or deceptive act or practice" are the result of deliberations in Congress and at the National Association of Insurance Commissioners dating back to the origins of the McCarran-Ferguson Act. 15 U.S.C. §§ 1011-1015 (2015). *In the matter of Scott A. Newman*, Iowa Insurance Division, Case No. 91936 (Slip Op. January 24, 2017), 2017 WL 6504574, pages 7-9.

54. Iowa Code §§ 507B.3 and 507B.6, make clear an intent to prohibit enumerated unfair or deceptive acts or practices, and to also broadly prohibit all unfair or deceptive acts or practices as in Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, including acts or practices that have the tendency or capacity to mislead insurance policyholders or prospective insurance purchasers. *Id* at 8-9. The prohibition of deception in Iowa Code § 507B.6 is not limited to the enumerated practices in Iowa Code § 507B.4, nor to common law deception. *Id*. The prohibition on unfair practices extends to any practice that offends public policy established by law and is likely to cause substantial injury to insurance purchasers. *Id*.

55. The general prohibition on unfair or deceptive acts and practices in Iowa Code § 507B.6 is supplemented by the enumerated *per se* violations, including, but not limited to those enumerated in Iowa Code §§ 507B.4 and Chapter 522B. *Id*.

56. The Commissioner has also enumerated unlawful unfair or deceptive acts and practices through the promulgation of regulations. 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.

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

58. Consumer AJ contacted Respondent to discuss health insurance policy options.

59. Consumer AJ did not discuss life insurance with Respondent nor was she interested in obtaining a life insurance policy.

60. Respondent submitted the life insurance application for Consumer AJ that she did not ask to be submitted and was submitted without her knowledge or consent.

61. Respondent affixed Consumer AJ’s signature on an application for insurance purporting it to be genuine authorization, when it was not.

62. Respondent led Consumer AJ to believe that an application for health insurance was being completed when in fact Respondent completed and submitted a life insurance application for the consumer.

63. Respondent provided a false email address for Consumer AJ precluding the consumer from having the opportunity to view the application for correctness and to identify that contrary to her wishes and beliefs, Respondent had completed an application for a life insurance policy, not an application for a health insurance policy.

64. Respondent's acts and practices have been in violation of Iowa Administrative Rule 191—15.8(2)(b) and Iowa Code § 507B.

COUNT TWO
Demonstrating Untrustworthiness

65. 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.

66. Respondent completed an application for insurance listing an email address for the applicant that did not in fact belong to Consumer AJ. The email address was required in order to receive, review, and electronically sign policy documents because the sale was not made face to face.

67. Consumer AJ did not use the provided email address to review or electronically sign the policy documents submitted in her name by Respondent.

68. The timestamps recorded for the times Consumer AJ and Respondent were sent, viewed, and signed the policy documents are one minute apart.

69. The IP addresses listed for Consumer AJ and the Respondent are identical even though the application was not sold face to face and Consumer AJ resides in Iowa and Respondent resides in Florida. The IP address is associated with Respondent's office in Florida.

70. Respondent electronically signed Consumer AJ's name on the application without her knowledge or consent.

71. Respondent submitted an application for life insurance despite Consumer AJ requesting a health insurance policy and without even discussing if Consumer AJ was interested in applying for a life insurance policy.

72. Through her conversation with Respondent, Consumer AJ believed that she was applying for and authorizing payment for a health insurance policy, not a life insurance policy.

73. Consumer AJ was not aware that Respondent had submitted an application in her name until she received a paper copy of the unwanted policy in the mail.

74. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h).

COUNT THREE
Failure to Cooperate

75. Under Iowa Code § 522B.11(1)(p), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for failing or refusing to cooperate in an investigation.

76. The Division's investigator reached out to Respondent multiple times and by multiple methods, including email, regular mail, certified mail, and telephone.

77. Tracking for certified mail shows that at least one of the letters was successfully delivered and signed for at an address identified as being associated with the Respondent.

78. Respondent failed to respond to any of the Division's communications.

79. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(p).

COUNT FOUR
Failure to Update Address

80. Under Iowa Code § 522B.6(7) and Iowa Administrative Code rule 10.12(2), a licensee shall inform the Commissioner of a change of address within thirty days of the change.

81. The residence address provided by the Respondent and recorded in the producer licensing record is 2460 NW 33rd Street, Unit 1704, Fort Lauderdale, Florida, 33309.

82. The certified letter sent by the Division investigator to the address specified in paragraph 74 herein was returned as "Return to Sender—Attempted-Not Known—Unable to Forward."

This endorsement indicates that delivery was attempted but the addressee is not known at the place of address.

83. The certified mail sent by the Division investigator to a more recent address, 3533 Wiles Road, Apartment 202, Coconut Creek, Florida 33073, was successfully delivered.

84. Respondent did not inform the Commissioner of the change to his address.

85. Respondent's failure to inform the Commissioner of a change in address is a violation of Iowa Code § 522B.6(7) and Iowa Administrative Code rule 10.12(2).

SANCTIONS FOR COUNTS 1-4

86. Respondent's acts and practices have been in violation of Iowa Code §§ 507B.3, 522B.11(1)(h), 522B.11(1)(p), and Iowa Administrative Rule 191—15.8(2)(b) subjecting Respondent to revocation of his nonresident insurance producer license pursuant to Iowa Code §§ 507B.7, 522B.1, 522B.17, and 505.8 and Iowa Administrative Code rule 191—15.14.

87. Respondent's acts and practices have been in violation of Iowa Code §§ 507B.3, 522B.11(1)(h), 522B.11(1)(p), and 522B.6(7), and Iowa Administrative rules 191—15.8(2)(b) and 10.12(2) subjecting Respondent to the imposition of a civil penalty. Under Iowa Code § 507B.7, civil penalties up to \$5,000 for each act or violation may be ordered if the Respondent knew or reasonably should have known that he was violating Iowa insurance laws. Respondent knew or should have known that each of the following actions was a violation:

- a. submitting an application for a policy that a consumer did not ask to be submitted and one of which they had no knowledge;
- b. signing a consumer's signature on an application for insurance and signing a consumer's signature without the consumer's knowledge or consent;

- c. leading a consumer to believe that an application for health insurance was being completed when in fact Respondent completed and submitted a life insurance application for the consumer;
- d. providing a false email address for the consumer precluding the consumer from having the opportunity to view the application for correctness and to identify that contrary to her wishes and beliefs, Respondent had completed an application for a life insurance policy, not an application for a health insurance policy;
- e. refusing to cooperate with an investigation by the Division;
- f. failing to provide the Division with his updated residence address;
- g. failing to provide the Division with his updated business address; and
- h. failing to provide the Division with his mailing address.

Therefore, the maximum civil penalty of \$40,000 is warranted.

88. Respondent's acts and practices have been in violation of Iowa Code §§ 507B, 522B.11(1)(h), 522B.11(1)(p), and 522B.6(7), and Iowa Administrative rules 191—15.8(2)(b) and 10.12(2) subjecting Respondent to an order requiring Respondent to cease and desist from engaging in such acts or practices found herein pursuant to Iowa Code §§ 507B.7, 522B.17, and Iowa Administrative Code rule 191—15.14.

89. Respondent's acts and practices have been in violation of Iowa Code §§ 507B, 522B.11(1)(h), 522B.11(1)(p), and 522B.6(7), and Iowa Administrative rules 191—15.8(2)(b) and 10.12(2) subjecting Respondent to the imposition of costs of the investigation and prosecution of the matter pursuant to Iowa Code § 505.8.

IV. ORDERS

IT IS THEREFORE ORDERED that, pursuant to Iowa Code §§ 507B.7 and 522B.11, Respondent's Iowa nonresident insurance producer license is hereby revoked and Respondent is prohibited from applying for licensure in this state for a period of fifteen years, and until Respondent has paid all penalties and costs ordered in this matter.

IT IS FURTHER ORDERED that Respondent shall pay a civil penalty, in the amount of \$40,000.00, 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, 507B.7, 522B.11, and 522B.17.

IT IS FURTHER ORDERED that Respondent cease and desist soliciting or selling insurance in this state and that Respondent is prohibited from engaging in any fraudulent or dishonest practice, or engaging in any unfair or deceptive act or practice, or from submitting an application for an insurance policy without a consumer's knowledge or consent pursuant to Iowa Code §§ 507B.6, 507B.7, 522B.11, and 522B.17.

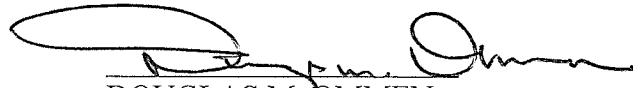
IT IS FURTHER ORDERED that Respondent shall pay the amount of \$3,895.00 for costs of investigation and prosecution of this matter pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education.

These orders may be enforced under Iowa Code Chapters 507B and 522B, including but not limited to Iowa Code §§ 507B.8 and 522B.17(3), and additionally, by any collection

remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amounts.

IT IS FURTHER ORDERED that all documents and items admitted as evidence at hearing shall be received under seal to protect the personally identifiable and confidential information of the consumer.

SO ORDERED on this 20th day of September, 2018.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Serve copies upon:

Covals Douze
RESPONDENT

Johanna Nagel
ATTORNEY FOR THE 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, 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 OF FINAL ORDER IMPACT

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

CERTIFICATE OF SERVICE

County of Polk)
)
State of Iowa)

The undersigned affiant certifies under penalty of perjury and pursuant to the laws of Iowa, on the 20th day of September, 2018, the Findings of Fact, Conclusions of Law, and Final Orders were delivered via email to:

Covals Douze, Respondent:
cdouze@icanbenefit.com and c.douze12@gmail.com.

Johanna Nagel, Attorney for the Division:
johanna.nagel@iid.iowa.gov.



Hilary Foster
Iowa Insurance Division