



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF	)	Division Case No. 99123
	)	
KRISTOPHER POWARS,	)	<b>ORDER AND</b>
NPN 17909063,	)	<b>CONSENT TO ORDER</b>
DOB 11/25/XXXX,	)	
	)	
Respondent.	)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Kristopher Powars, pursuant to the provisions of Iowa Code Chapter 507B---Iowa 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, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code Chapter 507B---Iowa Trade Practices and Iowa Code Chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Kristopher Powars (“Respondent”) is an individual with a last-known residence address of 11211 Cemetery Rd., Argenta, IL 62501-8054.
3. Respondent is licensed in the state of Iowa as a resident insurance producer since April 12, 2016. He is licensed under National Producer Number 17909063.
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 and 522B.
5. On February 1, 2017, Respondent engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of his resident insurance producer license; cease and desist orders; and civil penalties or other relief under Iowa Code Chapters 507B and 522B 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 April 12, 2016 and assigned to him National Producer Number 17909063.
8. According to information provided by Respondent, Respondent's residence address is 11211 Cemetery Rd., Argenta, IL 62501-8054.
9. Respondent was an appointed producer with American Family Life Assurance Company ("AFLAC").
10. Respondent submitted to AFLAC three insurance applications dated February 1, 2017, for dental coverage for Consumers Mi. T. and Ma. T. and accident and vision coverage for Consumer N. F. Two applications contained the purported signatures of Consumers Mi. T and Ma. T and all three applications indicated that the consumers were involved with a business association called Michelle's Hair Salon as owner or employees of the business.
11. The AFLAC Special Investigations Unit ("AFLAC SIU") referred this case to the Division. AFLAC SIU's investigation found that Respondent had placed ineligibles on an account and had established an unqualified business as a client. AFLAC terminated Respondent's appointment on March 16, 2018.
12. A Division investigator contacted Consumer Mi. T. who stated she did not operate a business named Michelle's Hair Salon nor did she have any employees. Consumer Mi. T. also

told the Division investigator that her purported signatures on the pre-account worksheet and the application were not her signatures.

13. The Division investigator was informed by Consumer Ma. T. that she had not applied for AFLAC insurance and the address and telephone number on her application were actually those of Consumer Mi. T. Consumer Mi. T. further stated that the purported signature on the application was not her signature.

14. Respondent made unauthorized premium payments for consumers and had premium billing statements sent to consumers for insurance coverage that they did not want or even know existed.

15. AFLAC informed the Division that Respondent listed Consumers Mi. T., Ma. T. and N. F as employees of a non-existent business he referenced as Michelle's Hair Salon and he did so to fulfill an AFLAC requirement to qualify an account for commission purposes.

### III. CONCLUSIONS OF LAW

#### COUNT ONE FORGING NAMES TO INSURANCE APPLCIATIONS

16. Under Iowa Code § 522B.11(1)(j) a person is prohibited from "forging another's name to an application of insurance or any document related to an insurance transaction."

17. Respondent forged the signatures of two consumers to two applications of insurance and related documents.

18. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(j) 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 §§ 522B.11, 522B.17 and 505.8.

**COUNT TWO**  
**MISREPRESENTATION IN INSURANCE APPLICATIONS**

19. Under Iowa Code § 507B.4(3)(n), a person is prohibited from “making false statements 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 an insurer, agent, broker or individual.”

20. Respondent made false or fraudulent statements or representations on applications by putting wrong addresses, telephone numbers, employment status and business name on insurance applications.

21. Respondent’s acts and practices have been in violation of Iowa Code § 507B.4(3)(n) subjecting Respondent to suspension or revocation of Respondent’s insurance producer license, to imposition of a civil penalty, an order requiring Respondent to cease and desist from engaging in such acts or practices, the imposition of the 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.

**COUNT THREE**  
**IMPROPER SALES PRACTICES**

22. Under Iowa Code § 507B.3, “a person shall not engage in this state in any trade practice which is defined in this chapter as, or 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.”

23. Under Iowa Administrative Code rule 191-15.8(2)(b), a producer shall not “execute a transaction for an insurance customer without authorization by the customer to do so.”

24. Respondent signed customers’ names to insurance applications and listed customers as employees of a non-existent business on insurance applications that were submitted to an insurance company without the customers’ authorizations.

25. Respondent’s acts and practices have been in violation of Iowa Code § 507B.3 and Iowa Administrative Code rule 191-15.8(2)(b) 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 the 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.

**COUNT FOUR**  
**USING FRAUDULENT, DISHONEST PRACTICES OR DEMONSTRATING**  
**UNTRUSTWORTHINESS IN THE CONDUCT OF BUSINESS**

26. Under Iowa Code § 522B.11(1)(h), a person is prohibited from “Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.”

27. Respondent engaged in fraudulent and dishonest practices and demonstrated untrustworthiness by making premium payments for insureds and having premium payment notices sent to insureds without the insureds’ knowledge or authorization for insurance coverage that the insureds did not want or know they were purchasing.

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

in such acts or practices, the imposition of cost of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 522B.17 and 505.8.

#### IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to 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, pursuant to Iowa Code §§ 507B.7 and 522B.17, shall immediately cease and desist from engaging in the business of insurance in this state; and
- C. Respondent is prohibited from applying for an insurance license in this state for ten years from the date of this Order.

SO ORDERED on the 15<sup>th</sup> day of November, 2018.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,



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Attorney for Iowa Insurance Division

Copy to:  
Kristopher Powars  
11211 Cemetery Rd.  
Argenta, IL 62501-8054  
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 November 2, 2018.

By:  First Class Mail  Personal Service  
 Restricted certified mail, return receipt  Email, by consent 11/1/18  
 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, Kristopher Powars, 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: 10/31/18

Kristopher Powars  
Kristopher Powars, Respondent

165 N. Warren St. Argenta IL 62501  
Address of Signatory

Subscribed and sworn before me by Kristopher Powars on this 31<sup>st</sup> day of October, 2018.

Colleen A. Force  
Notary Public for the State of Illinois

