



Following service of process on the Commissioner pursuant to Weltzin's consent to service of process in her insurance producer license application and without a current business address, the Division made significant efforts to notify Weltzin of the charges. During these efforts, the hearing date was reset to October 24, 2018, and a prehearing conference was reset for October 17, 2018. A prehearing conference was then convened on October 17, 2018. The Division appeared by counsel, and Weltzin did not appear.

The hearing was held on October 24, 2018 at 9:00 a.m. before Commissioner Douglas Ommen at the offices of the Iowa Insurance Division, Two Ruan Center, 601 Locust St., 4<sup>th</sup> Floor, Des Moines, Iowa. The Division was represented by Deputy Commissioner Kay Godfredsen. Weltzin did not appear.

At hearing, the following witnesses appeared on behalf of the Division and were examined: Craig Hayden, Compliance Investigator of the Iowa Insurance Division.

At the hearing, the following exhibits were offered by the Division and received as evidence into the record:

1. Affidavit of Kayla Crow, dated 10/16/18;
  - 1-A Weltzin's NIPR electronic licensing record of Uniform Application for Individual Insurance Producer License as of submission on 12/12/14;
  - 1-B Weltzin's NIPR electronic licensing record of Uniform Application for Individual Insurance Producer License as of submission on 10/16/17;
  - 1-C Weltzin's NIPR Appointment History Report;
2. Affidavit of Hilary Foster, dated 10/17/18;
  - 2-A Division's Statement of Charges filed 07/30/18 and Notice of Hearing issued on 07/31/18 with H. Foster's certificate of mailing dated 07/31/18;
  - 2-B Partial copy of envelope returned to the Division on 08/08/18;
  - 2-B(1) Envelope and contents postmarked 07/31/18 to Weltzin, but not delivered, and returned to the Division on 08/08/18;
  - 2-C Electronic Return Receipt to the Division dated 08/13/18;
  - 2-D Division's Statement of Charges filed 07/30/18 and Notice of Hearing issued on 07/31/18 with H. Foster's certificate of mailing dated 08/13/2108;

- 2-E Electronic Return Receipt for delivery of the Order Resetting Prehearing and Hearing Dates issued on 08/17/18 at 218 4<sup>th</sup> Street NW, Oelwein, Iowa 50662;
- 2-F H. Foster's certificate of mailing dated 09/07/2108 for Division's Statement of Charges filed 07/30/18, Notice of Hearing issued on 07/31/18, and Order Resetting Prehearing and Hearing Dates issued on 08/17/18;
- 2-G Copy of H. Foster's 09/07/18 email to [lisa.weltzin@yahoo.com](mailto:lisa.weltzin@yahoo.com) for Division's Statement of Charges filed 07/30/18, Notice of Hearing issued on 07/31/18, and Order Resetting Prehearing and Hearing Dates issued on 08/17/18;
- 2-H Partial copy of envelope returned to the Division on 08/13/18;
- 2-H(1) Envelope and contents postmarked 08/13/18 to Weltzin, but not delivered and returned to the Division on 09/13/18;
- 2-I Electronic Return Receipt to the Division dated 09/17/18;
- 2-J Partial copy of envelope and contents returned to the Division on 10/10/18;
- 2-J(1) Envelope and contents postmarked 09/07/18 to Weltzin, but not delivered, and returned to the Division on 10/10/18;
- 2-K Electronic Return Receipt to the Division dated 10/15/18;
- 3. Investigator Hayden's interview memorandum of [name withheld by order], dated 12/12/17;
- 4. Investigator Hayden's interview memorandum of [name withheld by order], dated 04/13/18;
- 5. Letter dated 11/07/17 of Combined Insurance;
- 6. Investigator Hayden's interview memorandum of Deegan, dated 04/26/18;
- 7. Combined Insurance welcome letter to [name withheld by order], dated 07/26/17, with application, life insurance policy and related documents;
- 8. Combined Insurance welcome letter to [name withheld by order], dated 07/26/17, with application, life insurance policy and related documents;
- 9. Combined Insurance welcome letter to [name withheld by order], dated 07/26/17, with application, life insurance policy and related documents;
- 10. Combined Insurance information letter to [name withheld by order], dated 10/13/17, and welcome letter to [name withheld by order], dated 07/26/17 with application, life insurance policy and related documents;
- 11. Combined Insurance welcome letter to [name withheld by order], dated 07/26/17, with application, life insurance policy and related documents;
- 12. Not offered;
- 13. Letter by [name withheld by order] to the Division, dated 09/29/17;
- 14. Copy of email correspondence between Investigator Hayden and Weltzin during the period of 02/22/18 through 04/26/18;
- 15. Electronic recording of 10/17/18 hearing *In the Matter of Charlene Schuman Deegan*, No. 98419 (Iowa Ins. Div., Nov. 30, 2018);
- 16. Division's investigation and prosecution costs summary.

As Weltzin did not appear at the hearing, she did not offer any testimony or evidence at the hearing. However, later in the day on October 24, 2018, Weltzin filed the following statement:

Well I'm not entirely sure what this is about but I'm at work during the day. I think this probably has something to do with [name withheld by order.] Right before I went to her house I had a meeting with the whole group of combined [Combined Insurance] and our market director told us that we can now have parents sign for policies on their children over the age of 18. Charlene and I were there talking to her about her policies and she wanted to switch her kids policies, so I went to the car and called Justin Williams our market director and again he told me that it was ok to have parents sign up for a policy on their own kids over the age of 18 and the parents can sign for them. He said have them sign the kids name. So I went back inside and continued with the kids policies. For 2-3 weeks agents were under the impression that we could do this it wasn't until a few weeks after that I called my other boss Ed Debrower and I told him what Justin told everybody and immediately he was very upset. He did some digging and came back and said what Justin told the whole team for Iowa was incorrect at this point I immediately stopped doing so and was told that the policies already went through and not too (sic) say anything else about it.

I hope this helps if you have anymore questions please contact me through email

Lisa Weltzin

**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 522B—Licensing of Insurance Producers.
2. Lisa Weltzin (“Weltzin”) is an individual resident of Iowa.

3. Weltzin applied for a resident insurance producer license in Iowa by filing a Uniform Application for Individual Insurance Producer License (“Uniform Application”) on December 12, 2014 with the Division. In submitting the Uniform Application, Deegan designated the Commissioner as an agent for service of process.
4. The Division issued Weltzin a license as an insurance producer on December 15, 2014 under National Producer Number 17450566.
5. Weltzin applied for renewal of her insurance producer license on October 16, 2017. Her license was renewed on October 16, 2017, and is scheduled to expire in 2020.
6. Weltzin provided to the Division in her Uniform Application the address of 5206 McStay Rd., Jesup, Iowa 50648 as her resident, mailing and business addresses. Weltzin no longer resides at that address, can no longer be found at that address, and has not resided, received mail or done business at that address since at least June 30, 2018, if not months prior to August 8, 2018. She has received mail at the address of 218 4<sup>th</sup> Street NW, Oelwein, Iowa 50662.
7. Weltzin is and has been licensed in the state of Iowa as a resident insurance producer continuously since December 15, 2014.
8. Pursuant to Iowa Code § 505.28, Weltzin has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code Chapter 522B.

**A. Notice of Hearing**

9. Weltzin designated the Commissioner as her 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 Weltzin by mailing at the residence, mailing and business addresses required to be maintained as a condition of her producer license.

10. The efforts to notify Weltzin must be considered in the context of efforts made by the Division investigator, Craig Hayden, prior to the filing of the statement of charges. Between the dates of February 22, 2018 and April 30, 2018, the Investigator Hayden made numerous email, postal service mail, telephone calls and in-person visits to known addresses, phone numbers and email addresses in a sustained effort to interview Weltzin.

11. Investigator Hayden exchanged communication with Weltzin via her email address of [lisa.weltzin@yahoo.com](mailto:lisa.weltzin@yahoo.com) between the dates of February 22, 2018 and April 30, 2018.

Investigator Hayden on 15 occasions sent email seeking to arrange an interview. Weltzin sent eleven responsive emails to Investigator Hayden over the same time period with various and sundry explanations for not being available for an in-person interview. We conclude the evidence is over-whelming that Weltzin was aware of the specific matter of misconduct in the investigation that gave rise to the statement of charges here.

12. The Division sent the notice of hearing and the statement of charges by restricted certified mail on July 31, 2018 to Weltzin at 5206 McStay Road, Jesup, Iowa 50648-9502, which was the last reported residence, mailing and business address on the Division's licensing record. The restricted certified mailing was returned on August 8, 2018, marked "Return to Sender – Unable to Forward – Unable to Forward – Return to Sender."

13. The Division again attempted notification by sending the notice of hearing and the statement of charges by restricted certified mail on August 13, 2018 to Weltzin at 3252 Kipling Road 218, Waterloo, Iowa 50701, which was obtained from a CLEAR report. Our tracking program indicated this notification was processed through the Waterloo Post Office and forwarded on August 15, 2018, then processed back through the Des Moines and Waterloo Post Offices. Tracking indicated that no recipient was available in Oelwein on August 18, 2018. The

mail was then forwarded, processed again through Des Moines, Minneapolis, Waterloo, and back to Oelwein on August 24, 2018, where “No authorized recipient available.” On August 29, 2018 the package was in Oelwein, “available for pickup. A postal service representative has stated that on August 29, 2018, the mail was in Oelwein at the post office and a postal service notice was left in Weltzin’s mailbox on August 28, 2108. On September 13, 2018, the notice of hearing and the statement of charges were returned to the Division, marked “Notify sender of new address – Weltzin, Lisa M – 218 4<sup>th</sup> St NW – Oelwein, IA 50662-1130” and “Return to Sender – Unclaimed – Unable to Forward.”

14. The Division also sent the Order Resetting Prehearing and Hearing Dates by certified mail on August 17, 2018 to Weltzin at 3252 Kipling Road 218, Waterloo, Iowa 50701, which was obtained from a CLEAR report. The postal service indicated this was delivered on August 21, 2018, to 218 4<sup>th</sup> Street NW, Oelwein, Iowa 50662.

15. The Division sent the notice of hearing, the statement of charges, and the Order Resetting Prehearing and Hearing Dates by restricted certified mail and by first class mail on September 7, 2018, to Weltzin at both the address of 3252 Kipling Road 218, Waterloo, Iowa 50701 and to the address of 218 4<sup>th</sup> Street NW, Oelwein, Iowa 50662. The mail sent to the Oelwein address was returned on October 10, 2018, and was marked “Return to Sender – Unclaimed – Unable to Forward.” According to the envelope, delivery attempts were made on 9/10/18, 9/15/18, and 9/25/18. The first-class mail has not been returned.

16. The Division sent by email the notice of hearing, the statement of charges, and the Order Resetting Prehearing and Hearing Dates on September 7, 2018, to [lisa.weltzin@yahoo.com](mailto:lisa.weltzin@yahoo.com), which was the email address on file in Weltzin’s licensing record and the email that Investigator Hayden had been able to use to communicate with Weltzin.

17. As the Commissioner was personally served as Weltzin's designated agent for service of process, the Division has clearly made substantial attempts to notify Weltzin of this matter, and we reasonably conclude that Weltzin did receive actual notification of the statement of charges and notice of hearing by first class mail and email, due process has been met and the service on Weltzin is effective.

#### **B. Merits of the Matter**

18. Weltzin was an appointed producer for Combined Insurance until her appointment was terminated on or about September 27, 2017.

19. During the month of July, 2017, Weltzin was associated with another insurance producer appointed by Combined Insurance named Charlene Schuman Deegan ("Deegan"). Deegan is Weltzin's mother.

20. Some time prior to July 25, 2017, Weltzin telephoned an Iowan resident, whom we shall reference here as "Jane," and asked for an appointment in Jane's home. Jane agreed to the meeting.

21. Weltzin and Deegan came to Jane's home on July 25, 2017, to meet with her. Jane's husband was present, but has suffered a stroke and was unable to meaningfully participate in the business discussion.

22. Weltzin claimed to have a prior business relationship with Jane and her husband when she was appointed at Banker's Life. Jane had no recollection of having previously met Weltzin.

23. Weltzin led most of the conversation with Jane, although Deegan was present and assisted throughout.

24. The sales meeting lasted 1 to 1½ hours.



25. Weltzin discussed “previously purchased” life and limited benefit policies and Jane was confused by the information.

26. Jane and her husband have five adult children, who were between the ages of 34 and 43 at the time of Weltzin’s and Deegan’s sales presentation.

27. Weltzin told Jane that she had life insurance policies for her adult children and represented that “the premiums were expensive.”

28. Weltzin recommended that the “new policies would be cheaper,” and that by cancelling the “other policies with Combined on the kids,” Jane “could get some money back and it was a better deal.”

29. Actually, when Jane’s children were young, she had purchased life policies from Combined Insurance, but at the time of Weltzin’s representations Jane did not recall that those policies had been cash surrendered in 1990.

30. Nevertheless, Weltzin convinced Jane to purchase whole life insurance policies on the lives of her adult children.

31. Weltzin, with Deegan’s knowledge and assistance, prepared life insurance applications for Jane’s adult children and asked Jane to affix her children’s signatures. Jane complied. These applications authorized access to the applicant’s personal medical information for underwriting and a review of an applicant’s insurability. The applications also asserted the life insurance policies were not replacing existing insurance.

32. Deegan was present and observed Weltzin’s direction to Jane to sign the names of Jane’s adult children with full knowledge that the signatures were without any knowledge or consent of Jane’s adult children.

33. Weltzin, with Deegan's knowledge and assistance, prepared a life insurance application on July 25, 2017 for a \$20,000.00 whole life insurance policy with Combined Insurance on behalf of Jane's 36 year-old adult son, without the son's knowledge or consent. Jane's 36 year-old son was living independently in his own household and not under Jane's care, custody, or control. Weltzin, with Deegan's knowledge and assistance, directed Jane to affix her son's electronic signature to the application. This application authorized access to the son's personal medical information for underwriting. Deegan signed the application as the authorized producer. Jane paid the premium and was listed as the beneficiary of the life insurance policy. Deegan was to be paid a commission for the life insurance sale. Jane's son cancelled the life insurance policy when he was made aware of policy.

34. Weltzin, with Deegan's knowledge and assistance, prepared a life insurance application on July 25, 2017 for a \$20,000.00 whole life insurance policy with Combined Insurance on behalf of Jane's 38 year-old adult son, without the son's knowledge or consent. Jane's 38 year-old son was living independently in his own household and not under Jane's care, custody, or control. Weltzin, with Deegan's knowledge and assistance, directed Jane to affix her son's electronic signature to the application. This application authorized access to the son's personal medical information for underwriting. Weltzin signed the application as the authorized producer. Jane paid the premium and was listed as the beneficiary of the life insurance policy. Weltzin was to be paid a commission for the life insurance sale. Jane's son cancelled the life insurance policy when he was made aware of policy.

35. Weltzin, with Deegan's knowledge and assistance, prepared a life insurance application on July 25, 2017 for a \$20,000.00 whole life insurance policy with Combined Insurance on behalf of Jane's 43 year-old adult son, without the son's knowledge or consent. Jane's 43 year-

old son was living independently in his own household and not under Jane's care, custody, or control. Weltzin, with Deegan's knowledge and assistance, directed Jane to affix her son's electronic signature to the application. This application authorized access to the son's personal medical information for underwriting. Weltzin signed the application as the authorized producer. Jane paid the premium and was listed as the beneficiary of the life insurance policy. Weltzin was to be paid a commission for the life insurance sale. Jane's son cancelled the life insurance policy when he was made aware of policy.

36. Weltzin, with Deegan's knowledge and assistance, prepared a life insurance application on July 25, 2017 for a \$30,000.00 whole life insurance policy with Combined Insurance on behalf of Jane's 34 year-old adult son, without the son's knowledge or consent. Jane's 34 year-old son was living independently in his own household and not under Jane's care, custody, or control. Weltzin, with Deegan's knowledge and assistance, directed Jane to affix her son's electronic signature to the application. This application authorized access to the son's personal medical information for underwriting. Weltzin signed the application as the authorized producer. Jane paid the premium and was listed as the beneficiary of the life insurance policy. Weltzin was to be paid a commission for the life insurance sale. Jane's son cancelled the life insurance policy when he was made aware of policy.

37. Weltzin, with Deegan's knowledge and assistance, prepared a life insurance application on July 25, 2017 for a \$20,000.00 whole life insurance policy with Combined Insurance on behalf of Jane's 40 year-old adult daughter, without the daughter's knowledge or consent. Jane's 40 year-old daughter was living independently in her own household and not under Jane's care, custody, or control. Weltzin, with Deegan's knowledge and assistance, directed Jane to affix her daughter's electronic signature to the application. This application authorized access to

the daughter's personal medical information for underwriting. Deegan signed the application as the authorized producer. Jane paid the premium and was listed as the beneficiary of the life insurance policy. Deegan was to be paid a commission for the life insurance sale. Jane's daughter cancelled the life insurance policy when she was made aware of policy.

38. Prior to the July 25, 2017, sales appointment in Jane's home, Weltzin and Deegan attended monthly meetings with their supervisor, Justin Williams, to discuss new product offerings and any updates. Weltzin and Deegan were told on a number of occasions by Williams that parents were "able to sign life insurance policies on behalf of their children regardless of age." Weltzin and Deegan were then told by Williams on August 11, 2017 that he "was incorrect."

39. Jane filed a written complaint, dated September 29, 2017, with the Division. The complaint was received on October 4, 2017. An investigation of the Division was opened and assigned to Investigator Hayden.

40. Investigator Hayden on February 22, 2018 sent by email an investigative request to Weltzin for an interview.

41. Weltzin acknowledged receipt of the request by email on February 22, 2018, but despite repeated efforts over the next nine weeks, she twice failed to appear at a scheduled time and location with the investigator, and ultimately decided to not make herself available to the Division investigator for an interview concerning the matters raised in this matter.

42. Weltzin provided to the Division in her Uniform Application the address of 5206 McStay Rd., Jesup, Iowa 50648 as her resident, mailing and business addresses. The Division's licensing records are housed in an electronic system administered by the National Insurance Producer Registry, an instrument of the National Association of Insurance Commissioners. The Division

offered Exhibit 1-A, a printout of Weltzin’s electronic record on October 3, 2018. As of October 3, 2018, even though Weltzin had not resided, received mail or done business at 5206 McStay Rd., Jesup, Iowa 50648 since at least June 30, 2018, she had not notified the Division of her change in address. We conclude that Weltzin is a resident of Iowa and has received mail at 218 4<sup>th</sup> Street NW, Oelwein, Iowa 50662, but the Division failed to prove her actual place of residence.

## II. CONCLUSIONS OF LAW

### COUNT ONE

#### **Unfair Sales Act or Practice**

43. Under Iowa Code § 522B.11(1)(g), the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty for having been found to have committed any unfair insurance trade practice.

44. 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.” *In the Matter of Newman*, No. 91936, 2017 WL 6504574 (Iowa Ins. Div., Jan. 24, 2017).

45. 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.

46. 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.”

47. The evidence was conclusive that Weltzin was the primary actor and Deegan was in a supporting role during the sales presentation.

48. Although she may have been acting in reliance on inferior training and guidance by Justin Williams, Weltzin executed whole life insurance applications for applicants without their knowledge or consent in violation of Iowa Code § 507B and Iowa Administrative Rule 191—15.8(2)(b). Intent to defraud is not an element of the unfair and deceptive practices prohibited by Iowa Administrative Rule 191—15.8(2)(b).

49. Weltzin's execution of whole life insurance applications for applicants without their knowledge or consent subjects her under Iowa Code § 522B.11(1)(g) to suspension or revocation of her insurance producer license, to the imposition of a civil penalty, an order requiring her 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 and Iowa Administrative Code rule 191—15.14.

### **COUNT TWO**

#### **Making a False Statement or Representation in an Insurance Application**

50. Under Iowa Code § 522B.11(1)(g), the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty for having been found to have committed any unfair insurance trade practice.

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. 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.”

53. Although she may have been acting in reliance on inferior training and guidance by Justin Williams, Weltzin executed whole life insurance applications for applicants without their knowledge or consent, falsely representing the applicants’ consent to the release of medical information for underwriting and a review of their insurability in violation of Iowa Code § 507B.4(3)(n). Intent to defraud is not an element of making a false representation under Iowa Code § 507B.4(3)(n).

54. Weltzin’s false statements in the insurance applications subjects her under Iowa Code § 522B.11(1)(g) to suspension or revocation of her insurance producer license, to the imposition of a civil penalty, an order requiring her 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.

### **COUNT THREE**

#### **Using Dishonest Practices or Demonstrating Incompetence or Untrustworthiness**

55. Under Iowa Code § 522B.11(1)(h), the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty, for as provided in Iowa Code § 522B.17, for using fraudulent, coercive, or dishonest practices or demonstrating incompetence or untrustworthiness.

56. Professional licensing statutes, although granting broad discretion to the state licensing authorities, are constitutional. *Miller v. Iowa Real Estate Commission*, 274 N.W.2d 288, (Iowa 1979).

57. “Statutes which regulate the insurance business are remedial in character, enacted under the state's police power upon the theory the business is impressed with a public interest and the public is entitled to protection against illegal practices. Such statutes are liberally construed in order to carry out the legislative purpose ... [Citations omitted]. The business of insurance is one peculiarly subject to supervision and control... [Citations omitted]. Statutes intended for public benefit are to be taken most favorably to the public.” *Bankers Life & Casualty Co. v. Alexander*, 242 Iowa 364, 373; 45 N.W.2d 258, 263 (Iowa 1950). Professional licensing laws involving the health, safety or financial protection of citizens of the state are within the police power of the state. (See *State v. Otterhold*, 234 Iowa 1286, 1289, 15 N.W.2d 529, 531 (Iowa 1944)). Public protection statutes should be read in furtherance of their broad purposes. Finally, we have the following statutory construction guidance by the Iowa Supreme Court:

We do not search for legislative intent beyond the express language of a statute when that language is plain and the meaning is clear ... (O)ur starting point in statutory interpretation is to determine if the language has a plain and clear meaning within the context of the circumstances presented by the dispute. We only apply the rules of statutory construction when the statutory terms are ambiguous.

*McGill v. Fish*, 790 N.W.2d 113, 118 (Iowa 2010).

58. The text of Iowa Code § 522B.11(1)(h) makes clear that lack of competence in itself, authorizes revocation, suspension, or refusal of an insurance producer’s license. The term “incompetence” as used in applicable professional licensing statutes is not defined. Therefore, in interpreting the meaning of “incompetence” we must employ the plain and ordinary meaning of the words as used in the statute. “Competent,” as an adjective, is defined as “having requisite or adequate ability or quality.” Dictionary by Merriam-Webster, <https://www.merriam-webster.com/>. Therefore, competence in the context of an insurance producer license is demonstrating the reasonable skill, care and diligence necessary to perform the duties and



responsibilities of an insurance producer, which are relied upon by the public when dealing with a licensed individual acting under the imprimatur of a state of Iowa insurance professional license. *In the Matter of Charlene Schuman Deegan*, No. 98419 (Iowa Ins. Div., Nov. 30, 2018), page 11; *See Sandbulte v. Farm Bureau Mutual Insurance Co.*, 343 N.W.2d 457 (Iowa 1984). In the case of an insurance professional obtaining the consent of an individual to apply for a life insurance policy and authorizing medical underwriting, it is a level of competence owed by the licensed individual to the applicant, to insurance carriers, to prospective beneficiaries, to our laws and regulations, and to the regulatory authorities given charge over insurance producer conduct. Falling below this professional standard of conduct would therefore constitute “incompetence.” *Deegan* at 11.

59. Actions to deprive an individual of a license for a lawful profession under Iowa licensing regulations require due process of law. *Gilchrist v. Bierring*, 234 Iowa 899, 916-917; 14 N.W.2d 724, 732-733 (Iowa 1940). Due Process is required whether the sanction sought is revocation, suspension, or civil penalty. The Division has the burden of proof in this matter under Iowa Code § 522B.11 and we conclude the standard of proof is a preponderance of the evidence standard. *Eaves v. Board of Medical Examiners*, 467 N.W.2d 234, 237 (Iowa 1991).

60. Under Count 3, the Division has not proven by a preponderance that Weltzin acted with dishonest intent, nor has it proven that Weltzin was untrustworthy. *Cf. In the matter of Tommy McCellan-Bey*, No. 95615, (Iowa Ins. Div., Oct. 12, 2018).

61. However, under Count 3, the Division did prove that Weltzin was incompetent. Deegan’s admission was that she and Weltzin elicited Jane’s decision to sign life insurance applications for other adults, because Deegan was simply “following my supervisor’s directions.” The statement by Deegan supports the conclusion that Weltzin was also following

Justin Williams' guidance and is corroborated by Weltzin's written statement following the hearing.

62. Justin Williams provided to Weltzin inferior training and guidance, and her incompetence can be linked directly to his encouragement to engage in unlawful conduct. Nevertheless, the obligation to act with the reasonable skill, care and diligence necessary to perform the responsibilities that we expect of a licensed insurance producer is owed by each producer, and Weltzin is subject to discipline under Iowa Code § 522B.11(1)(h).

63. We are not confident that Weltzin's demonstrated incompetence was limited to one sales presentation, but even so, that isolated incompetence is grounds for discipline under Iowa Code § 522B.11(1)(h), subjecting Weltzin to suspension of her resident insurance producer license.

64. Weltzin may be assessed costs of investigation and prosecution in this matter under Iowa Code § 505.8(10).

**COUNT FOUR**  
**Failure to Cooperate with Division Investigation**

65. Under Iowa Code § 522B.11(1)(p), the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty for failing or refusing to cooperate in an investigation by the Division.

66. Weltzin failed to appear at scheduled times or locations for the Division's investigative interview and did not cooperate with the Division to achieve an interview, despite repeated efforts by the Division's investigator over nine weeks.

67. Weltzin's acts and practices have been in violation of Iowa Code § 522B.11(1)(p) subjecting her to probation, suspension, or revocation of her insurance producer license, the imposition of a civil penalty, an order requiring Weltzin 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 FIVE**

**Failure to Notify Division of Change in Address**

68. Under Iowa Code § 522B.6(7) and 522B.17, the Commissioner may issue an order to cease and desist and impose a civil penalty if a licensee fails to inform the Division by means acceptable to the Commissioner of a change of legal address within thirty (30) days of the change.

69. Weltzin provided to the Division in her Uniform Application the address of 5206 McStay Rd., Jesup, Iowa 50648 as her resident, mailing and business addresses. As of October 3, 2018, she had not notified the Division of a change in her resident, mailing and business addresses.

70. Weltzin no longer resides at 5206 McStay Rd., Jesup, Iowa 50648, can no longer be found at that address, and has not resided, received mail or done business at that address since at least June 30, 2018. She has received mail at the address of 218 4<sup>th</sup> Street NW, Oelwein, Iowa 50662, but the street address of her current residence was not established by evidence.

71. Weltzin failed to notify the Division of the change in her resident, mailing and business addresses in her insurance producer license record within thirty (30) days of the change.

72. Weltzin's acts and practices have been in violation of Iowa Code §§ 522B.6 and 522B.17, subjecting her to an order 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.6, 522B.17, and 505.8.

### **III. ORDERS**

**IT IS THEREFORE ORDERED** that, pursuant to Iowa Code § 522B.11, Weltzin's resident insurance producer license is revoked.

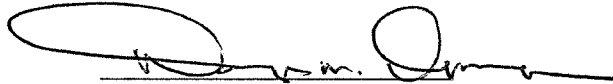
**IT IS FURTHER ORDERED** that Weltzin shall pay the amount of \$1000 for costs of investigation and prosecution of this matter pursuant to Iowa Code § 505.8(10). Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education.

These orders may be enforced under Iowa Code Chapters 505 and 522B, including but not limited to Iowa Code § 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, pursuant to Iowa Code § 522B.11, Weltzin is prohibited from selling, soliciting or negotiating insurance in the state of Iowa without a license and at least until January 1, 2020 at which time Weltzin may reapply for licensure. However, as a condition of licensure, Weltzin shall have complied with this order, made payment of the amount ordered payable herein and in addition to any continuing education required by law, completed an additional ten hours of continuing education related to life insurance underwriting. Weltzin shall provide written notification to the Division of compliance with these conditions at least ten days prior to submitting an application for licensure in this state.

**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 17<sup>th</sup> day of December, 2018.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Serve copies upon Respondent.

**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 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 5<sup>th</sup> day of December, 2018, the Findings of Fact, Conclusions of Law, and Final Orders were delivered to the United States Postal Service, postage prepaid, for restricted certified, regular first-class mail, and by email (on December 4, 2018) to:

Lisa Weltzin  
218 4<sup>th</sup> St NW  
Oelwein, IA 50662

Lisa Weltzin  
3684 W 4<sup>th</sup> St  
Waterloo, IA 50701

[Lisa.weltzin@yahoo.com](mailto:Lisa.weltzin@yahoo.com)

  
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Hilary Foster  
Iowa Insurance Division