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JAN 24 2019

COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF

JARVIS A. THOMAS,
NPN 17886712
DOB 08/26/XXXX,

Respondent

)
) Division Case No. 99824
)
) **ORDER AND**
) **CONSENT TO ORDER**
)
)
)

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Jarvis A. Thomas, 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 Order and Consent to Order (“Consent 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. Jarvis A. Thomas (“Respondent”) is an individual with a last known address of 2959 Summer Drive, Dubuque, Iowa 52002.
3. Respondent was licensed in the state of Iowa as a resident insurance producer from March 18, 2016 to September 1, 2018. He was licensed under National Producer Number 17886712.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code Chapter 522B.
5. Between June 30, 2017 and January 25, 2018, Respondent engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of his

insurance producer license; cease and desist orders; and civil penalties or other relief under Iowa Code Chapters 507B and 522B and rules adopted pursuant to these chapters.

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 March 18, 2016, and assigned to him National Producer Number 17886712.

8. Respondent was an appointed producer with American Family Life Assurance Company (“AFLAC”).

9. Respondent was a district sales coordinator for the Dubuque, Iowa AFLAC office.

10. On or about June 30, 2017, Respondent and AFLAC agents AH and SB solicited married Consumer AM and Consumer CC to purchase AFLAC insurance.

11. On or about June 30, 2017, Agent AH submitted an application for accident policies for Consumer AM and Consumer CC.

12. During the application process Consumer AM mentioned that employees of his businesses (“Consumer’s Business”) might be interested in obtaining coverage. Respondent and the AFLAC agents did not go to the physical location of Consumer’s Business to solicit business from Consumer AM’s employees which is the normal operating procedure for AFLAC agents. Respondent represented that employees of Consumer’s Business thereafter stopped by the Dubuque AFLAC office to inquire about AFLAC insurance.

13. On or about June 30, 2017, Respondent submitted applications for a cancer policy and an accident policy for Applicant CT. Respondent represented on the application that Applicant CT worked for Consumer's Business as an "asset manager" whose duties were to "get employees". Respondent did not verify that Applicant CT was employed by Consumer's Business.

14. Applicant CT is Respondent's brother.

15. On or about July 13, 2017, Respondent submitted applications for a cancer policy and accident policy for Applicant AT. Respondent represented on the application that Applicant AT worked for Consumer's Business. Respondent did not verify that Applicant AT was employed by Consumer's Business.

16. On or about September 7, 2017, Respondent submitted another application for Applicant CT. This time, Respondent submitted an application for a dental policy for Applicant CT. Once again, Respondent did not verify that Applicant CT was employed by Consumer's Business.

17. On or about September 8, 2017, AFLAC received a letter from Consumer AM. Consumer AM noted that he received a bill from AFLAC and that he contacted AFLAC to verify the information within the bill. After having AFLAC confirm the details of the bill, Consumer AM alleged that, "FRAUD was made to set this account" and that he wanted the account to be "IMMEDIATELY CLOSE!!"

18. AFLAC Special Investigations Unit (SIU) opened an investigation into Consumer AM's AFLAC account.

19. During the AFLAC SIU investigation, Respondent provided two unsigned computer generated letters to AFLAC purportedly from Applicant AT and Applicant CT. Each of the letters identified that the Respondent had reached out to each applicant and asked the applicant to

verify the dates that he/she worked at Consumer's Business. The letters provided dates that each applicant claimed they worked at Consumer's Business.

20. On or about January 19, 2018, AFLAC SIU interviewed Consumer AM. Consumer AM stated that he did not know Applicant AT and Applicant CT and they had never been employees of Consumer's Business. Consumer AM believed the agents wrote fraudulent policies under his company.

21. Applicant AT and Applicant CT did not cooperate with the SIU investigation.

22. On or about January 23, 2018, AFLAC SIU interviewed Respondent. When Respondent was asked if Applicant CT was related to him, Respondent stated "no he is not".

23. The AFLAC SIU investigation concluded that the Respondent placed ineligible policyholders under the payroll account of Consumer's Business. Respondent was terminated from AFLAC.

24. On or about July 20, 2018, the Division interviewed Consumer AM. Consumer AM acknowledged that he and his wife bought AFLAC policies. Thereafter, Consumer AM received a bill that included billings for the policies of Applicant CT and Applicant AT. Consumer AM reiterated that did not know these individuals nor did they ever work for his business.

25. On or about September 18, 2018, the Division interviewed Respondent. Respondent admitted that he lied to the AFLAC SIU investigator regarding whether Applicant CT was his brother. Respondent confirmed to the Division that Applicant CT was his brother. Respondent represented that his brother worked as a janitor for Consumer's Business. Respondent admitted that he wrote the letter that was submitted to the SIU investigation representing that he was Applicant CT and that there was false information in this letter.

III. CONCLUSIONS OF LAW

COUNT I

USING FRAUDULENT, DISHONEST, INCOMPETENT, AND UNTRUSTWORTHY PRACTICES 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 incompetence when he did not verify Applicants AT’s and CT’s employment prior to submitting insurance applications for payroll deductions from Consumer’s Business.

28. Respondent engaged in fraudulent and dishonest practices and demonstrated untrustworthiness when he wrote and submitted a letter to the AFLAC SIU investigation purporting to be Applicant CT. Respondent further engaged in fraudulent and dishonest practices and demonstrated untrustworthiness when he provided information in that letter that he knew to be false.

29. Respondent engaged in dishonest practices and demonstrated untrustworthiness when he lied to an investigator during his interview with the AFLAC SIU.

30. 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 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 the 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 II
MISREPRESENTATION IN INSURANCE APPLICATIONS

31. Under Iowa Code § 507B.4(3)(n), a person is prohibited from “making 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.”

32. Respondent made false or fraudulent statements or representations on applications by putting false employment and employment statuses on insurance applications for the purpose of receiving a commission from the sale of the AFLAC policies.

33. 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 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.

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

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.

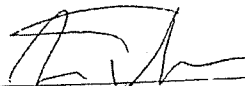
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CONSENT TO ORDER AND AGREEMENT

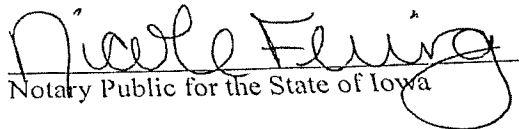
I, Jarvis A. Thomas, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. By executing this Consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

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.

01-22-19
Date


Jarvis A. Thomas, Respondent
2959 Summer Drive,
Dubuque, Iowa 52002

Subscribed and sworn before me by Jarvis A. Thomas on this 22 day of January, 2019.


Notary Public for the State of Iowa

