

FILED

JUL 29 2019

COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 102474
)	
OSCAR O. ALONZO,)	ORDER AND
NPN 18309281)	CONSENT TO ORDER
DOB 10/15/XXXX,)	
)	
Respondent)	

COMES NOW the Iowa Insurance Division (“Division”) and pursuant to the provisions of Iowa Code chapter 522B—Licensing of Insurance Producers, states and alleges the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Oscar O. Alonzo (“Alonzo”) is an individual with a last known address of 125 Southbrooke Dr., #4, Waterloo, Iowa 50702.
3. Alonzo is and has been licensed in the state of Iowa as a resident insurance producer since February 10, 2017. He is licensed under National Producer Number 18309281.
4. Pursuant to Iowa Code § 505.28, Alonzo has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapter 522B.
5. Between September 2017 and November of 2018, Alonzo 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 chapter 522B and rules adopted pursuant to this chapter.

II. FINDINGS OF FACT

6. Alonzo 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, Alonzo designated the Commissioner as an agent for service of process.
7. The Division issued Alonzo a license as an insurance producer on February 10, 2017, and assigned to him National Producer Number 18309281.
8. Alonzo was employed ~~within~~^{at} in the Insurance Division of VGM Insurance Services (“VGM”) in Waterloo, Iowa from January 16, 2017 to November 6, 2017. Alonzo wrote business for non-emergency commercial auto lines.
9. On or about September 20, 2017, Alonzo submitted an application for commercial auto insurance to Atlas Financial Holdings, Inc. (“Atlas”) for a prospective client, AmeriCab, Inc. d/b/a ICAB Express.
10. On or about September 26, 2017, Alonzo submitted loss runs to Atlas in support of AmeriCab’s application for commercial auto insurance.
11. On or about October 23, 2017, based on the information provided in the application and the loss runs, Atlas issued a one-year term policy to Americab, Inc.
12. During the term of the policy, Atlas incurred a financial rating down grade. VGM initiated a remarketing process to determine if existing clients who were insured by Atlas could get better rates with a more financially sound insurer.
13. On or about October 2, 2018, as part of the remarketing process, Alonzo submitted a commercial auto insurance application for AmeriCab to Berkshire Hathaway Homestate Companies (BHHC) for underwriting. BHHC immediately noticed that the loss run documents

submitted with the application were suspect. These loss runs appeared to be generated from National Indemnity Insurance Companies (NICO) which is another Berkshire Hathaway Company.

14. BHHC notified the SIU departments within BHHC and NICO, requesting further investigation of the suspicious documents.

15. On or about October 10, 2018, NICO SIU opened an investigation into the matter.

16. The NICO SIU contacted VGM to inquire about the suspected loss runs that were submitted to BHHC by Alonzo.

17. VGM immediately began an internal investigation regarding the suspicious loss runs.

18. VGM concluded that Alonzo had created fake loss runs and provided them to Atlas and BHHC. VGM concluded that a policy number listed on the loss runs was the policy number of another client that was unrelated to AmeriCab.

19. On or about November 6, 2018, VGM confronted Alonzo with this information and Alonzo could not provide any explanation for the fake loss runs. Alonzo immediately resigned from VGM.

20. On or about February 13, 2019, the Division interviewed Alonzo. Alonzo admitted that he created the fake loss run documents that were submitted with an insurance application for AmeriCab to Atlas underwriting department and later to BHHC underwriting department during a remarketing effort. Alonzo stated he had a lapse in judgment and took 100% responsibility for his actions.

III. CONCLUSIONS OF LAW

COUNT ONE

Using Fraudulent, Coercive, Dishonest Practices, Demonstrating Incompetence or Untrustworthiness

21. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for using fraudulent, coercive, or dishonest practices or demonstrating incompetence or untrustworthiness in the conduct of business.

22. Alonzo engaged in fraudulent and dishonest practices and demonstrated untrustworthiness when he created fake loss runs for AmeriCab. Alonzo further engaged in fraudulent and dishonest practices when he submitted the fake loss runs with insurance applications to Atlas and BHHC.

23. Alonzo's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Alonzo to suspension or revocation of Alonzo's insurance producer license, to the imposition of a civil penalty, an order requiring Alonzo 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.

IV. ORDER

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

- A. Alonzo's Iowa resident insurance producer license is immediately revoked pursuant to Iowa Code § 522B.11;
- B. Alonzo, pursuant to Iowa Code § 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 two years from the date of this Consent Order.
- D. These orders may be enforced under Iowa Code chapter 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.

SO ORDERED on the 29th day of July, 2019.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



LANNY ZIEMAN
Compliance Attorney
Two Ruan Center
601 Locust St., 4th Floor Des Moines, IA 50309
lanny.zieman@iid.iowa.gov
(515) 281-8160
Attorney for Iowa Insurance Division

Copy to:

Oscar Alonzo
125 Southbrooke Dr. #4
Waterloo, Iowa 50702
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 July 30, 2019

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

Signature: Hillary Foster
 Hillary 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 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.

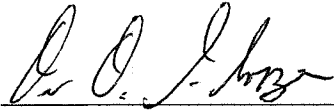
A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the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

CONSENT TO ORDER AND AGREEMENT

I, Oscar O. Alonzo, 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 this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand 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.

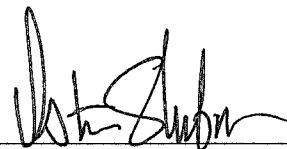
Dated: 7-18-2019



Oscar O. Alonzo, Respondent

125 Southbrooke Dr #4 Waterloo, IA 50702
Address of Signatory

Subscribed and sworn before me by Oscar O. Alonzo on this 18 day of July, 2019.


Notary Public for the State of Iowa

