



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 100754
)	
LANCE P. PHILLIPS,)	ORDER AND
NPN 8034669,)	CONSENT TO ORDER
DOB 02/06/XXXX,)	
)	
Respondent)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Lance P. Phillips, pursuant to the provisions of Iowa Code chapter 507B—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, and Iowa Administrative Code chapter 15—Unfair Trade Practices, 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—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, and Iowa Administrative code chapter 15—Unfair Trade Practices pursuant to Iowa Code § 505.8.
2. Lance P. Phillips (“Phillips”) is an individual with a last-known residence and mailing address of 540 Lookout Ct., Waukee, IA 50263.
3. Phillips is and has been licensed in the state of Iowa as a resident insurance producer since March 31, 2004. He is licensed under National Producer Number 8034669.
4. Pursuant to Iowa Code § 505.28, Phillips has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapters 507B and 522B.

5. From on or about May of 2013 to present, Phillips 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; restitution; and civil penalties or other relief under Iowa Code chapters 505, 507B, 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

6. Phillips 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, Phillips designated the Commissioner as an agent for service of process.

7. The Division issued Phillips a license as an insurance producer on March 31, 2004 and assigned to him National Producer Number 8034669.

8. Phillips is owner and president of Greater Iowa Retirement Services, LLC (“Greater Iowa”), an Iowa limited liability corporation with a home office of 540 Lookout Ct., Waukee, Iowa 50263.

Consumers Mr. and Mrs. K

9. Mr. and Mrs. K, husband and wife, met with Phillips in 2013.

10. Mr. K was working for the United States Postal Service and he wanted to ensure that his retirement savings, then held in the Thrift Savings Plan (“TSP”), were safe, to maximize his returns, and secure death benefit and income features.

11. Phillips recommended that Mr. and Mrs. K use 100% of their retirement savings to purchase two annuities with Fidelity and Guaranty Life Insurance Company (“F&G”).

12. Both recommended annuities had a surrender period of fourteen years.

13. Phillips told Mr. and Mrs. K that the F&G annuities would guarantee a 6% annual return in addition to almost \$20,000 in bonus monies, among other features.

14. On May 31, 2013, Phillips completed applications for two F&G annuities—one for Mr. K in the amount of \$185,000.00 and another for Mrs. K in the amount of \$19,000.00. Phillips filled out all of the personal and financial information on the annuity suitability application forms.

15. In the paperwork submitted with both F&G applications, Phillips represented that Mr. and Mrs. K owned stocks and bonds for twenty years, mutual funds for twenty years, and certificates of deposit for forty years.

16. The only product that Mr. K actually owned was his TSP and the only product Mrs. K actually owned was a 403(b) plan.

17. Phillips provided the following financial information for Mr. and Mrs. K in the paperwork submitted with the two F&G applications:

- a. Monthly household expenses of \$2,000.00;
- b. Liquid assets consisting of \$12,000.00 in cash, \$60,000.00 in CDs, \$25,000.00 in checking and savings, and \$50,000 in mutual funds/brokerage accounts;
- c. Total liabilities, including mortgage and credit cards, as zero;
- d. Net worth of \$529,000.00; and
- e. Remaining liquid assets after purchase as \$167,000.00.

18. Contrary to how Phillips completed the paperwork for the consumers, Mr. and Mrs. K, in fact, only had a few hundred dollars in cash, zero in CDs, approximately \$3,000.00 in checking and savings, and zero in mutual funds/brokerage accounts. The TSP in the amount of

\$184,590.00 and the 403(b) plan in the amount of \$19,447.00, used to fund the two annuities, comprised Mr. and Mrs. K's major liquid assets.

19. Furthermore, Mr. and Mrs. K had approximately \$130,000.00 remaining on their home mortgage and \$15,000.00 in credit card debt that Phillips did not list on the application.

20. Phillips overstated the liquid assets of Mr. and Mrs. K by approximately \$144,000.00 and understated their total liabilities by approximately \$145,000.00. Phillips overstated the net worth by approximately \$289,000.00.

21. After the purchase of the two annuities, the only liquidity the consumers had was the approximately \$3,000.00 in checking/savings and monthly disposable income of less than \$4,000.00.

22. Mr. and Mrs. K do not recall seeing the suitability information listed on the forms at the time of application or even discussing any financial information with Phillips other than the fact that the TSP and 403(b) plans would fund the two recommended annuities.

23. Phillips is the agent of record and signed all of the F&G paperwork.

24. Phillips attested in the Agent's Statement section of the F&G paperwork that he truthfully answered all questions and complied with F&G's suitability requirements.

25. Mr. and Mrs. K have not been receiving the 6% annual return Phillips guaranteed on either of the annuities. In fact, the highest interest rate these policies ever received was 1.5% in the first year and both policies received decreasing interest rates every subsequent year.

26. Mr. K's policy has actually been losing money, due to the combination of minimal returns and the cost of riders and fees, for the majority of years it has been in effect. Mrs. K's policy also lost money last year due to the combination of minimal returns and the cost of riders and fees.

27. Phillips received total commissions in the amount of \$15,400.02 in connection with the annuity sale transactions with Mr. and Mrs. K.

Consumer Mrs. G

28. Mrs. G spoke with Phillips in June and July of 2013.

29. Mrs. K, who had just purchased an annuity based upon Phillips' recommendation, referred Mrs. G to Phillips.

30. Mrs. G had limited knowledge and understanding of insurance and investment matters. Mrs. G informed Phillips of her limited understanding.

31. Mrs. G had an equity indexed and fixed annuity with Jackson National Life Insurance Company ("Jackson National"), issued on January 20, 2004, which was purchased using \$25,442.41 from Mrs. G's Catholic Health Retirement Plan.

32. When Phillips went to Mrs. G's home, he reviewed her Jackson National policy and stated that he could make Mrs. G a lot of money and get Mrs. G a better return if she moved her money.

33. Phillips recommended Mrs. G surrender her Jackson National policy and purchase a flexible premium annuity with F&G.

34. Phillips submitted a surrender request form to Jackson National on June 24, 2013, requesting the full surrender of Mrs. G's contract. A surrender charge of \$763.27 (2%) was deducted from the value of the policy. The surrender form requested that a check for \$34,299.97 be sent directly to Mrs. G, not F&G.

35. On July 11, 2013, Phillips completed an application for an F&G annuity with a fourteen year surrender period in the amount of \$34,299.97 for Mrs. G. Phillips filled out all of the personal and financial information on the annuity suitability application forms.

36. In the paperwork submitted with the F&G application, Phillips represented that Mrs. G owned CDs for forty years and fixed annuities for twelve years.

37. In fact, the only product that Mrs. G actually owned was her Jackson National annuity and even it was not owned for the twelve years represented by Phillips.

38. Phillips provided the following financial information for Mrs. G in the F&G paperwork:

- a. Source of income was listed as social security and pension payments;
- b. Monthly income was listed as \$3,402.00;
- c. The value of home was listed as \$125,000.00;
- d. Liquid assets consisting of \$20,000.00 in cash, \$40,000 in CDs, \$15,000.00 in checking and savings, \$35,000.00 in mutual funds/brokerage accounts, and \$25,000.00 in annuities/insurance cash values not subject to surrender penalties; and
- e. Total liabilities, including mortgage and credit cards, were listed as zero.

39. In fact, Mrs. G's sources of income were social security and a wage of approximately \$12.00 per hour, she was not receiving pension payments, she did not tell Phillips that the value of her home was \$125,000.00, only had a minimal amount in cash, zero CDs, at most only \$600.00 in savings, and zero mutual funds/brokerage accounts.

40. Mrs. G had approximately \$80,000.00 in total liabilities, debts, and loans, not zero as represented by Phillips.

41. Phillips did not include Mrs. G's liabilities and overstated her liquid assets, total net worth, and remaining liquid assets after the purchase of the recommended annuity.

42. Phillips checked "yes" to question twelve on the suitability form that asked if the consumer had enough liquid assets to cover any emergencies after the purchase of the recommended annuity.

43. Mrs. G did not have enough remaining liquid assets to cover any emergencies as the money used to fund the recommended annuity was her emergency fund.
44. Phillips also represented that the reasons for purchasing the annuity and the basis for recommendation included safety from the stock market, death benefit, tax deferral, and lifetime guarantees.
45. However, based upon Phillips' repeated assertions to Mrs. G, she understood that the recommendation to purchase the annuity was to make more money.
46. Phillips is the agent of record and signed all of the F&G paperwork.
47. Phillips attested in the Agent's Statement section of the F&G paperwork that he truthfully answered all questions and complied with F&G's suitability requirements.
48. The F&G policy was purchased using the entirety of the funds from the Jackson National surrender.
49. Mrs. G did not understand that there would be restrictions on withdrawing funds placed in the F&G annuity.
50. Less than three years after the purchase of the F&G annuity, Mrs. G sold her home, for only \$66,890.00, in order to pay off debts. Phillips had listed the value of her home on the F&G application as \$125,000.00, almost double the value that the home was sold for a few years later.
51. Mrs. G made two withdrawals totaling approximately \$14,500.00 for which she incurred a penalty of approximately \$900.00.
52. Mrs. G filed a complaint with F&G and the Division. As a result of Mrs. G's complaint, F&G allowed Mrs. G to surrender her policy without penalties.
53. Phillips received commissions in the amount of \$2,744.00 in connection with the annuity sale transaction with Mrs. G.

Consumer Ms. M

54. Ms. M met with Phillips on or about September 1, 2015.
55. Ms. M was the beneficiary of annuity proceeds in the amount of \$119,527.36 after the death of her significant other.
56. Phillips recommended that Ms. M purchase an annuity with North American Company for Life and Health Insurance (“North American”) using these proceeds.
57. Phillips told Ms. M that she would have access to the funds if she needed it.
58. On September 1, 2015, Phillips completed an application for a North American annuity, with a fourteen year surrender period, in the amount of \$119,527.36 for Ms. M. Ms. M was 72 years old at the time of application. Phillips filled out all of the personal and financial information on the annuity suitability application forms.
59. Phillips provided the following financial information for Ms. M on the 2015 application:
- a. Monthly income of \$3,500.00 with a disposable income of \$2,500.00;
 - b. Liquid assets consisting of \$120,000.00 in annuities out of surrender period, \$75,000.00 in mutual funds, \$50,000.00 in CDs, and \$25,000.00 in checking and savings; and
 - c. Real Estate, which was not to include primary residence, as \$165,000.00.
60. In fact, Ms. M’s monthly income ranged from only \$1,483.00-2,200.00 with a disposable income around \$483.00. Ms. M had zero mutual funds, only \$12,038.00 in CDs, and approximately \$22,000.00 in checking and savings. Ms. M had not yet received the death benefit of almost \$120,000.00 that Phillips listed as a liquid asset. Phillips did not list Ms. M’s annuity with an accumulation value of \$5,736.43 as a non-liquid asset and the value of her primary residence was inappropriately included as real estate in the non-liquid assets calculation.

61. Even including in the 2015 financial calculations the value of the death benefit Ms. M had yet (but expected) to receive from her significant other's annuity, Phillips overstated Ms. M's liquid assets by almost \$116,000.00, non-liquid assets by \$159,260.00, and net worth by at least \$275,000.00.

62. Almost a year later, in August of 2016, Ms. M received an inheritance of approximately \$155,000.00 as a result of the sale of her deceased mother's farm. Phillips advised Ms. M that it was unnecessary to maintain the level of money she had in checking or savings accounts and that he did not advise his own parents keep that much money in their own checking or savings accounts. Phillips told Ms. M to refrain from donating any of the money to charities until after she invested with him.

63. On August 24, 2016, Phillips completed an application for another North American annuity, with a fourteen year surrender period, in the amount of \$115,000.00. Ms. M was 73 years old at the time of application. Phillips filled out all of the personal and financial information on the suitability application forms.

64. Phillips provided the following financial information for Ms. M on the 2016 application:

- a. Monthly income of \$3,500.00 with a disposable income of \$2,500.00;
- b. Liquid assets consisting of \$75,000.00 in mutual funds, \$50,000.00 in CDs, and \$140,000.00 in checking and savings; and
- c. Non-liquid assets consisting of \$130,000.00 in annuities in surrender period and real estate, which was not to include primary residence, as \$165,000.00.

65. In fact, Ms. M's monthly income was only about \$1,469.00 with a disposable income around \$469.00, Ms. M still had zero mutual funds, zero in CDs, \$18,292.00 in checking and savings, and the inheritance money of \$115,613.79 used to fund the annuity. Phillips did not list

Ms. M's annuity purchased in 2015 with the current value of \$125,369.01 as a non-liquid asset and the value of her primary residence was inappropriately included in the non-liquid assets calculation.

66. Phillips overstated Ms. M's net worth by \$303,536.48.

67. Phillips is the agent of record and signed all of the North American paperwork.

68. Phillips attested in the Agent's Certification section of the North American paperwork that he "determined that all questions are answered fully, completely and accurately as supplied by the applicant and recorded full details as required."

69. Merely one year later, Ms. M did not have sufficient liquidity to cover the costs of living and necessary repairs to her home. Ms. M did not know that, at that time, she would only be able to withdraw 10% of the 2015 annuity without penalties and none from the 2016 annuity.

70. Ms. M filed a complaint with North American and the Division stating Phillips falsified her financial information and failed to disclose or misrepresented the contract terms.

71. As a result of the filed complaint, on November 20, 2017, North American allowed Ms. M to cancel her 2016 annuity and refunded her initial premium of \$115,000.00.

72. Ms. M surrendered the 2015 annuity on January 19, 2018, incurring surrender charges in the amount of \$10,733.83. After deducting surrender charges, Ms. M received \$100,950.78.

73. Phillips received total commissions in the amount of \$16,946.74 (\$9,775.00 for the policy sold in 2015 and \$7,171.74 for the policy sold in 2016). North American required Phillips to return the commission from the 2016 policy and chargebacks in the amount of \$186.90 for distributions taken by Ms. M during the first year of the 2015 policy.

Consumer Mrs. A

74. On March 14, 2013 Phillips submitted applications for three F&G annuities on behalf of Mr. and Mrs. A.

75. Mrs. A contacted Phillips in or around February 2017, after the death of her husband, for assistance in accessing funds to pay for funeral expenses and for investment advice.

76. Shortly thereafter, Phillips recommended Mrs. A contact F&G and submit claims for lump sum settlements for each of the three policies and use the money to purchase annuities with Guggenheim Life and Annuity Company (“Guggenheim”).

77. Phillips assisted Mrs. A in obtaining lump sum settlements for each of the three policies and on March 8, 2017, was the signing witness on each of the F&G annuity claimant statements.

78. Phillips told Mrs. A that she would receive a better rate of return by purchasing annuities with Guggenheim.

79. Phillips advised Mrs. A that she needed three annuities in order to leave different portions of money to various beneficiaries.

80. On April 2, 2017, Phillips completed applications for three fixed indexed Guggenheim annuities for Mrs. A. All three annuities were for the same product with a ten year surrender period; one in the amount of \$63,813.74, a second in the amount of \$74,000.00, and a third in the amount of \$110,911.33. Phillips filled out all of the personal and financial information on the suitability application forms.

81. Phillips provided the following financial information for Mrs. A on the paperwork submitted with each of the three Guggenheim applications:

- a. \$250,000.00 in checking and/or savings;
- b. \$380,000.00 in securities and/or investments;

- c. \$50,000.00 in annuities within surrender period;
- d. Total liquid assets of \$630,000.00; and
- e. Total net worth of \$680,000.00.

82. Phillips did not lower Mrs. A's assets or net worth to reflect the impact on liquidity or otherwise disclose that he made a series of recommendations and was submitting three applications, for three separate annuities, for Mrs. A on the same day.

83. During an interview with a Division investigator, Mrs. A stated that she did not understand how Phillips calculated many of the listed financial valuations such as, \$380,000.00 in securities and/or investments, liquid assets of \$630,000.00, \$50,000.00 in annuities within surrender period, or total net worth of \$680,000.00. Nor was she able to identify any other products or assets that could account for these valuations.

84. After purchasing the three annuities, Mrs. A only had \$12,000.00 in checking and/or savings.

85. Phillips overstated Mrs. A's total net worth by approximately \$400,000.00.

86. In the Guggenheim paperwork for all three annuities, Phillips marked that the source of premium for the annuities was other investments—mutual funds even though the F&G annuities were the funding source.

87. Phillips is the agent of record and signed all of the Guggenheim paperwork.

88. Phillips attested in the Agent Signature section of the Guggenheim paperwork that all of the information in the application was true.

89. Phillips received total commissions in the amount of \$17,410.75.

Phillips' Statements to the Division

90. An investigator with the Division interviewed Phillips on November 14, 2018.

91. During the interview, Phillips asserted there had only been one complaint for which he was the agent of record. However, Phillips has been the agent of record for multiple consumer complaints.

92. During the interview, Phillips explained that when recording a consumer's financial information on a suitability form, he will check "CD" if the form does not have an option for "Checking/Savings" and that he does not distinguish between "cash" and "checking" funds.

III. CONCLUSIONS OF LAW

COUNT ONE

Misrepresentation on Insurance Application

93. 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."

94. For the above identified consumers, Phillips misrepresented numerous pieces of suitability information, including product experience, assets, liabilities, and net worth, as described in paragraphs 17-21, 38-45, 59-66, and 81-86.

95. Phillips misrepresented the source of premium three times in Mrs. A's applications for Guggenheim annuities.

96. Phillips received commission amounts totaling \$52,501.51 as a result of submitting annuity applications for all of the above identified consumers. Of that total amount, Phillips was required to return \$7,358.54.

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

such acts or practices, restitution, 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 TWO
Suitability

98. Under Iowa Code § 507B.4B(1), a person is prohibited from recommending the purchase, sale, or exchange of any annuity contract unless the person has “reasonable grounds to believe that the recommendation is suitable for the individual based on a reasonable inquiry into the individual’s financial status, investment objectives, and other relevant information.”

99. Under Iowa Administrative Code rule 191—15.75(1), a producer must have reasonable grounds for believing the recommendation to purchase or exchange an annuity that results in an insurance transaction or series of transactions, is suitable.

100. Under Iowa Administrative Code rule 191—15.75(1)(a), a producer must have reasonable grounds for believing that the consumer has been informed of various features on the recommended annuity, including but not limited to: the surrender period and charges, fees, potential tax penalties, features and charges for riders, and limitations of returns.

101. Phillips failed to have reasonable grounds to believe that each of his recommendations was suitable for the above mentioned consumers.

Consumers Mr. and Mrs. K

102. Phillips recommended that Mr. and Mrs. K purchase two annuities even though they would have very little remaining liquid assets. After the purchase of the two annuities, Mr. and Mrs. K had less than \$10,000.00 remaining in liquid assets and did not have enough liquid assets to cover even six months of expenses or serve as an emergency fund.

103. Despite this limited liquidity, Phillips recommended that Mr. and Mrs. K purchase two annuities, both subject to a surrender charge period of fourteen years.

104. Other than discussing with Phillips that the TSP and 403(b) plans would be used to fund the two F&G annuities, Mr. and Mrs. K did not discuss any of the financial information listed by Phillips on the F&G paperwork.

Consumer Mrs. G

105. Phillips recommended that Mrs. G purchase an annuity even though she had very little liquid assets. After the purchase of the annuity, Mrs. G did not have remaining liquid assets to cover even six months of expenses or serve as an emergency fund.

106. Phillips recommended that Mrs. G replace her Jackson National annuity even though it was nearing the end of the surrender period which would have allowed Mrs. G to have penalty-free access to her funds if the need arose. Instead, despite having very little liquid assets, Phillips recommended she replace her annuity with a new annuity meaning that she would be subject to the commencement of a new surrender period of fourteen years.

107. In fact, Mrs. G did end up needing access to her funds. Less than three years after the purchase of the F&G annuity, Mrs. G had to sell her home, for only \$66,890.00, in order to pay off debts as she did not have liquid funds available.

108. Mrs. G did not understand that there would be restrictions on withdrawing money from the F&G annuity. Mrs. G told Phillips when she met with him that she had limited knowledge and understanding of insurance and investment matters. Phillips did not have a reasonable basis to believe that Mrs. G understood the features of the recommended annuity, including but not limited to, the surrender period and surrender charge.

109. Mrs. G was also forced to make withdrawals from the F&G annuity, for which she incurred a penalty of approximately \$900.00.

Consumer Ms. M

110. Phillips recommended Ms. M, a retired individual in her 70s, with a monthly disposable income of approximately \$483.00, purchase two annuities with North American within a year of each other.

111. Ms. M was 72 years old in 2015 when Phillips recommended she purchase an annuity with a fourteen year surrender period. Ms. M was 73 years old when Phillips recommended, not even a year later, that she purchase another annuity with a fourteen year surrender period.

112. The 2015 annuity was funded out of liquid assets accounting for more than 75% of Ms. M's total liquid assets.

113. The 2016 annuity was funded out of liquid assets greater than 85% of Ms. M's total liquid assets.

114. After the purchase of the 2016 recommended annuity, Ms. M would only have \$18,905.49 in remaining liquid assets. Phillips did not have a reasonable basis to believe her minimal monthly disposable income of less than \$500.00 and liquid assets of less than \$20,000.00 would be sufficient to cover expected and unexpected future expenses.

115. One year later, Ms. M did not have sufficient liquidity to cover her expenses.

116. Ms. M did not understand that there would be restrictions on withdrawing money from the annuities and Phillips had no reasonable basis to believe she understood the limits and surrender charges because he told her she would be able to access funds when needed.

117. Phillips' acts and practices have been in violation of Iowa Code § 507B.4B and Iowa Administrative Code rule 191—15.75 subjecting Phillips to an order requiring the producer to

take reasonably appropriate corrective action for any consumer harmed by the producer's violation, suspension or revocation of Phillips' insurance producer license, the imposition of a civil penalty, an order requiring Phillips 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, 505.8(10), and Iowa Administrative Code rule 191—15.77.

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 Lance P. Phillips' Iowa resident insurance producer license is suspended for a period of two years, effective on the date of this Consent Order, pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Respondent Lance P. Phillips is prohibited from selling, soliciting, negotiating, or transacting in the business of insurance in the state of Iowa during his suspension;
- C. Respondent Lance P. Phillips is prohibited from making any false or misleading statements or representations on or relative to an application for an insurance policy, recommending the sale or exchange of any annuity contract without reasonable grounds to believe the recommendation is suitable for the individual, engaging in any fraudulent or deceptive practice, and from engaging in the acts or practices found herein pursuant to Iowa Code §§ 507B.7 and 522B.17;
- D. Respondent Lance P. Phillips shall, contemporaneously with this Consent Order, pay restitution in the amount of \$10,000.00, made payable to the Iowa Insurance Division, to be credited to the Settlement Fund, pursuant to Iowa Code § 505.8;

- E. Respondent Lance P. Phillips shall, contemporaneously with this Consent Order, pay for costs of investigation and proceeding in the amount of \$2,000.00 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.
- F. 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.

SO ORDERED on the 16th day of August, 2019.

DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,

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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 August 16, 2019.

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

Signature: Hilary Foster
Hilary Foster

CONSENT TO ORDER AND AGREEMENT

I, Lance P. Phillips, 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.

8-9-19
Date

Lance P. Phillips
Lance P. Phillips, Respondent

540 Lookout Ct Waukee IA 50263
Address of Signatory

Subscribed and sworn before me by Lance P. Phillips on this 9th day of August, 2019.

Angie Ayers
Notary Public for the State of Iowa



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 suspension. Your suspension will extend beyond your renewal date. 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 rule 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, retest, 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 probation, suspension, or 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 contested case. 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.