

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 102748
KENNETH N. ROHWEDDER,)	
NPN 16500021,)	ORDER AND
DOB 12/21/XXXX,)	CONSENT TO ORDER
)	
Respondent)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Kenneth N. Rohwedder, 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 191—15, 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 191—15 pursuant to Iowa Code § 505.8.
2. Kenneth N. Rohwedder (“Rohwedder”) is an individual with a last-known residence address of 1105 West 46th St., Davenport, IA 52806.
3. Rohwedder is and has been licensed in the state of Iowa as a resident insurance producer since December 20, 2011. He is licensed under National Producer Number 16500021.
4. Pursuant to Iowa Code § 505.28, Rohwedder has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.

5. From on or about October 2018 to June 2019, Rohwedder has 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 505, 507B, 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

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

7. The Division issued Rohwedder a license as an insurance producer on December 20, 2011 and assigned to him National Producer Number 16500021.

8. Rohwedder was a captive agent who sold supplemental insurance products on behalf of Combined Insurance Company of America (“Combined Insurance”). Rohwedder was appointed with Combined Insurance from May 22, 2017 until he was terminated for cause, effective June 25, 2019, due to fraud and forgery.

Consumer Mr. JC

9. On April 22, 2019, Rohwedder submitted an application for a supplemental accident and sickness policy to Combined Insurance for Mr. JC.

10. On May 7, 2019, Mr. JC filed a complaint with Combined Insurance after receiving a Combined Insurance policy in the mail that he had neither applied for nor spoken with Rohwedder about obtaining.

11. In his complaint, Mr. JC stated except for his name and address, all other information on the application, including his purported signature, was false.

12. Mr. JC recognized Rohwedder's name on the documents he received because Rohwedder sold Mr. JC a policy several years prior when Rohwedder was appointed with Washington National.
13. Mr. JC contacted Rohwedder to question him about the unwanted policy and Rohwedder alleged that he sold a policy to someone with a similar name as Mr. JC and the system auto filled the rest of the application with Mr. JC's personal information.
14. Mr. JC never had a policy with Combined Insurance nor did the company have Mr. JC's personal information as the result of any leads.
15. Combined Insurance's electronic applications do not auto fill applications based upon an applicant's name. Furthermore, the company had no personal information that could possibly be auto filled because Mr. JC was not a current or past customer and was not part of a lead.
16. Rohwedder completed an application for insurance without Mr. JC's knowledge or consent.
17. Rohwedder forged Mr. JC's signature in the Declaration section of the application. This section was designed to obtain consumer acknowledgement for receipt of a coverage outline and disclosures, attest that all of the consumer's answers in the application are true and complete, and to obtain consumer authorization for the release of private protected health information.
18. Rohwedder attested in the Declaration section of Mr. JC's application that he recorded the information as given to him by the consumer, provided notices, and inspected the application for completeness.
19. Rohwedder forged Mr. JC's signature on the payment authorization form, authorizing the withdrawal of premium payments.

20. Rohwedder received \$364.47 in commissions by submitting the unauthorized application in Mr. JC's name.

21. Mr. JC's policy was cancelled because Rohwedder provided an invalid bank account on the payment authorization form.

22. As a result of this complaint, Combined Insurance investigated Rohwedder's book of business and identified numerous applications with billing information connected to Rohwedder.

Misrepresented Payor Information

23. On Combined Insurance's applications for supplemental health insurance, there is a section that must be completed if the payor is different from the proposed insured. This section asks for the payor's name and address.

24. On Combined Insurance's payment authorization form submitted with the application, the payor must indicate whether or not the payor is the same as the proposed insured by checking the box for "yes" or "no."

25. From on or about October 2018 to May 2019, Rohwedder knowingly gave a false answer on eight policy applications when he checked the "yes" box signifying that the payor was the same as the proposed insured even though a bank account was listed on the payment authorization form that did not belong to the proposed insured.

26. Rohwedder's listed his own bank account ending in 6777 on the payment authorization form for the following policies but Rohwedder was not identified as the payor:

- a. Policy number ending in 0479 for Mr. TC.;
- b. Policy number ending in 9364 for Mr. JR.;
- c. Policy number ending in 6735 for Mr. RR.;
- d. Policy number ending in 0570 for Mr. DJ.;

- e. Policy number ending in 3825 for Mr. ZB;
- f. Policy number ending in 2097 for Mr. DG;
- g. Policy number ending in 1391 for Mr. SW; and
- h. Policy number ending in 2097 for Mr. JB.

27. In a conversation with Combined Insurance on June 25, 2019, Rohwedder admitted that he completed and signed all the applications that had his bank account information listed as payor.

Fictitious Consumers

28. Rohwedder fabricated information and identities for at least six individuals. From on or about October 2018 to May 2019, Rohwedder completed and signed the following policy applications for these fictitious individuals:

- a. Policy number ending in 0479 for Mr. TC.;
- b. Policy number ending in 9364 for Mr. JR;
- c. Policy number ending in 6735 for Mr. RR;
- d. Policy number ending in 2097 for Mr. DG;
- e. Policy number ending in 1391 for Mr. SW; and
- f. Policy number ending in 2097 for Mr. JB.

29. Rohwedder attested in the Declaration section of each of these six applications that he recorded the information as given to him by the consumer, provided notices, and inspected the application for completeness.

30. Rohwedder received at least \$2053.75 in commissions by submitting the applications with misrepresented payor information and applications for fictitious individuals.

Division's Investigation

31. On or about June 25, 2019, the Division was notified that Combined Insurance terminated Rohwedder for cause due to fraud and forgery.
32. The Division's investigator sent a letter dated June 27, 2019 to Rohwedder requesting his response to the termination for cause.
33. In his response, Rohwedder admitted that he violated the insurance laws of Iowa, paid for other individuals' policies using his personal bank account, affixed signatures purported to be the applicants' signatures on multiple applications for insurance, and fabricated information for fictitious individuals.
34. As of the date of this filing, Rohwedder is on a repayment plan and has paid \$687.96 of the total commissions Combined Insurance is requiring him to repay in connection with the applications discussed herein.

III. CONCLUSIONS OF LAW

COUNT ONE

Misrepresentation On or Related to Insurance Applications

35. 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."
36. Rohwedder's forgeries of Mr. JC's signature on the Combined Insurance application and payment authorization form were deceptive because they had the capacity to mislead Combined Insurance and because they fraudulently purported to be genuine signatures of Mr. JC.
37. Rohwedder made false statements by indicating on eight applications that the payor was the proposed insured when, in fact, Rohwedder himself was the payor.

38. Rohwedder made false or fraudulent statements when he fabricated information and identities for at least six individuals and completed and submitted policy applications to Combined Insurance for these fictitious individuals.

39. Rohwedder made false or fraudulent representations by attesting in the Declaration section of each of the six applications for fictitious individuals that he recorded the information as given to him by the consumer, provided notices, and inspected the application for completeness.

40. Rohwedder received at least \$2,418.22 in commissions by submitting eight applications with misrepresented information.

41. Rohwedder's acts and practices have been in violation of Iowa Code § 507B.4(3)(n) subjecting Rohwedder to suspension or revocation of his insurance producer license, to the imposition of a civil penalty, an order requiring Rohwedder 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 TWO
Forging Another's Name

42. Under Iowa Code § 522B.11(1)(j), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for forging another's name to an application for insurance or to any document related to an insurance transaction.

43. Respondent affixed Mr. JC's signature on the policy application and the payment authorization form without his knowledge or consent. Both of these forgeries relate to an insurance transaction and violate Iowa Code § 522B.11(1)(j).

44. Rohwedder's acts and practices have been in violation of Iowa Code § 522B.11(1)(j) subjecting Rohwedder to probation, suspension, or revocation of Rohwedder's insurance producer license, the imposition of a civil penalty, an order requiring Rohwedder 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, 522B.11, 522B.17, and 505.8.

COUNT THREE
Improper Sales Tactics

45. 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."

46. Iowa Administrative Code chapter 191—15 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.

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

48. Rohwedder completed and submitted an application for insurance for Mr. JC without his knowledge or consent.

49. Rohwedder's acts and practices have been in violation of Iowa Code § 507B.3 and Iowa Administrative Code rule 191—15.8(2)(b) subjecting Rohwedder to probation, suspension, or revocation of Rohwedder's insurance producer license, the imposition of a civil penalty, an order requiring Rohwedder 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 §§ 505.8, 507B.7, and Iowa Administrative Code rule 191—15.14.

IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapters 522B and 507B:

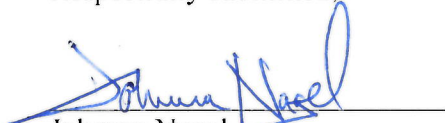
- A. Rohwedder's Iowa resident insurance producer license is permanently revoked and Rohwedder is permanently prohibited from engaging in the business of insurance in this state pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Rohwedder shall immediately cease and desist from engaging in the business of insurance in this state and from the acts or practices found herein pursuant to Iowa Code §§ 507B.7 and 522B.17;
- C. Rohwedder shall, contemporaneously with this Consent Order, pay a civil penalty in the amount of \$1,500.00, made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8, 507B.7, 522B.11, and 522B.17;
- D. Rohwedder shall, contemporaneously with this Consent Order, pay the amount of \$450.00 for costs of investigation and prosecution 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.
- E. These orders may be enforced under Iowa Code chapters 505, 507B, and 522B, including but not limited to Iowa Code § 508.8, and 507B.8, 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 2nd day of October, 2019.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



Johanna Nagel
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601 Locust St. – 4th Floor
Des Moines, Iowa 50309-3738
Phone: (515) 725-1255
Attorney for the Iowa Insurance Division

Copy to:
Harold Delange
1503 Brady St.
Davenport, IA 52806
Attorney for 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 October 3, 2019.

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

Signature: Hilary Foster
Hilary Foster

CONSENT TO ORDER AND AGREEMENT

I, Kenneth N. Rohwedder, 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.

9-24-2019
Date

Kenneth N. Rohwedder
Kenneth N. Rohwedder, Respondent

1105 W. 46th St., Davenport, IA 52806
Address of Signatory

Subscribed and sworn before me by Kenneth N. Rohwedder on this 24 day of September, 2019.

Tracy A. Griffin
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 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 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, 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 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.