

**FILED**

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COMMISSION OF INSURANCE  
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF  
  
ANDREW LEE,  
NPN 17462368,  
DOB 7/11/XXXX,  
  
Respondent

)  
) Division Case No. 103018  
)  
) **ORDER AND CONSENT**  
) **TO ORDER**  
)  
)  
)

**NOW THEREFORE**, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Andrew Lee, and pursuant to the provisions of Iowa Code chapter 507B—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, Iowa Administrative Code chapter 191—10, 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, Iowa Administrative Code chapter 191—10, and Iowa Administrative Code chapter 191—15 pursuant to Iowa Code § 505.8.
2. Andrew Lee (“Lee”) is an individual with the following last-known addresses: mailing address of 1283 Van Nuys St., San Diego, CA 92109; residence address of 431 S. Burnside Ave., Apt 8L, Los Angeles, CA 90036; and business address of 1277 Van Nuys St., San Diego, CA 92109.
3. Lee is and has been licensed in the state of Iowa as a nonresident insurance producer since December 31, 2014. He is licensed under National Producer Number 17462368.
4. Pursuant to Iowa Code § 505.28, Lee has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.

5. From on or about December 2015 and continuing to the present, Lee 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. Lee applied for a nonresident 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, Lee designated the Commissioner as an agent for service of process.

7. The Division issued Lee a license as an insurance producer on December 31, 2014 and assigned to him National Producer Number 17462368.

8. Lee was an employee of MHP Insurance Solutions, LLC (“MHP”) from October 1, 2014 until March 23, 2018.

9. While at MHP, Lee sold insurance products on behalf of Time Insurance Company (“Time Insurance”), underwriter and issuer for Assurant Health. On October 1, 2015, National General Accident and Health Insurance Company (“National General”) acquired individual supplemental health insurance products from Time Insurance and assumed administrative duties for these policies on October 1, 2016.

10. Lee was appointed with Time Insurance from January 1, 2015 until his appointment was terminated on July 9, 2018.

11. Consumer S spoke with Lee by telephone in January 2015 about obtaining a health insurance policy. Consumer S decided to apply for a health insurance policy with Time Insurance and completed the application over the telephone. As part of application, Consumer S

provided her bank account information for account ending in 0275. The health policy was issued and provided coverage through December 31, 2015.

12. On December 12, 2015, Lee completed an application in Consumer S' name for a critical illness/term life policy and submitted it to Time Insurance without her knowledge or consent.

13. This application was submitted electronically using a modified online verification method. This method requires the producer and consumer to complete an application using a screen sharing tool, enabling the consumer to review all application questions and answers, e-sign, and provide electronic authorizations.

14. Consumer S did not own a computer at this time and did not, in fact, participate in any screen sharing application process with Lee.

15. The critical illness/term life policy application listed Consumer S' minor daughter as the beneficiary.

16. Lee, purporting to be Consumer S, electronically signed the critical illness/term life policy application attesting that all the answers in the application were true and complete and authorizing the release of Consumer S' private protected health information.

17. Lee, purporting to be Consumer S, completed the payment authorization form authorizing the withdrawal of premium payments from Consumer S' bank account ending in 0275.

18. A critical illness/term life policy ending in 8997 and with a ten year term period was issued in Consumer S' name effective January 1, 2016. The monthly premium owed was \$62.27.

19. Time Insurance could not verify that the critical illness/term life policy was successfully sent to Consumer S electronically or by regular U.S. Mail nor does the company possess a signed delivery receipt for the policy.

20. Consumer S stated that she never received a copy of the critical illness/term life application or policy in December 2015.
21. Consumer S did not become aware that a critical illness/term life policy had been issued in her name until she received a letter, in or around December 2017, from National General regarding a change in company name and which indicated that Consumer S owned a life policy.
22. Consumer S discovered that premiums had been withdrawn from her bank account each month from January 2016 through December 2017. Consumer S contacted the company on January 25, 2018 to cancel the unauthorized and unwanted policy as well as to request a refund.
23. The premiums for the unauthorized policy were withdrawn from the same account Consumer S provided to Lee during the application process for her health policy.
24. Lee received \$1,992.64 in commission by submitting the unauthorized application in Consumer S' name.
25. Consumer S filed a complaint with Iowa's Office of the Attorney General which was then referred to the Division for review.
26. As a result of this complaint, Time Insurance provided Consumer S with a full refund of the premiums deducted from her account without her authorization.

#### **Division's Attempts to Communicate with Lee**

27. As part of the Division's investigation of the complaint filed by Consumer S, the Division attempted to contact Lee at least eighteen times.
28. The Division attempted to contact Lee by e-mail, telephone, and mailings to the addresses found in the Division's producer licensing record as well as to alternate addresses associated with Lee.

29. E-mails sent to the e-mail addresses found in the Division's producer licensing record, the California Department of Insurance's resident producer licensing record, as well as in a search of public source data were either immediately returned as undeliverable or Lee failed to provide a response. At least one e-mail was successfully transmitted with no message failure notice generated.

30. Lee provided the Division with updates to his residence and mailing address on or about March 4, 2019. The address provided by Lee for both residence and mailing was 1283 Van Nuys Street, San Diego, California 92109. Regular first class U.S. Mail and certified mail sent to Lee at this address were returned as not deliverable.

31. Approximately ten days after providing the 1283 Van Nuys address to the Division, Lee provided a different address to the California Department of Insurance. The address reported to California was 5010 Cass Street, San Diego, California 92109. Regular first class U.S. Mail and certified mail sent to Lee at this address were also returned to the Division as not deliverable.

32. On September 19, 2019, Lee provided the Division with an updated residence address of 431 S. Burnside Ave., Apt 8L, Los Angeles, CA 90036. Lee did not update any of the addresses on record with the California Department of Insurance.

33. An investigator with the Division telephoned Lee on August 2, 2018 at the number provided in his licensing record. Lee answered the telephone call and was advised of his obligation to provide a response to the Division regarding Consumer S' complaint.

34. Lee argued with the Division investigator, contending that he did not need to provide a response as he was no longer in the insurance business. The Division investigator instructed Lee that he was still required to provide a response.

35. Lee refused to provide an updated mailing address and stated that the Division investigator could e-mail correspondence to [andrew@mhpinsurance.com](mailto:andrew@mhpinsurance.com) even though he no longer worked for MHP Insurance. Lee would not provide an alternate e-mail address.

36. When the Division investigator insisted that Lee provide a valid mailing address, Lee terminated the phone call.

37. The Division investigator sent an e-mail to the e-mail address provided by Lee over the telephone, which was identical to the e-mail address found in Lee's licensing record, but the e-mail was immediately returned as undeliverable.

38. The following chart summarizes the Division investigators' attempts to communicate with Lee regarding Consumer S' complaint:

ADDRESS	SOURCE	MAILING METHOD AND DATE	DELIVERY STATUS
1283 Van Nuys St. San Diego, CA 92109	Division Licensing Record for Lee	<ul style="list-style-type: none"> <li>▪ First Class U.S. Mail: 6-21-19</li> <li>▪ Certified Mail: 7-19-18</li> <li>6-21-19</li> </ul>	<p>Returned to Division, Not deliverable</p> <p>Returned to Division, Not deliverable, Vacant</p>
1277 Van Nuys St. San Diego, CA 92109	Division Licensing Record for Lee	<ul style="list-style-type: none"> <li>▪ First Class U.S. Mail: 6-21-19</li> <li>▪ Certified Mail: 6-21-19</li> </ul>	<p>Returned to Division, Not deliverable</p> <p>Returned to Division, Unclaimed</p>
881 Thomas Ave. #21 San Diego, CA 92109	Public records data	<ul style="list-style-type: none"> <li>▪ First Class U.S. Mail: 8-6-18</li> <li>▪ Certified Mail: 8-6-18</li> </ul>	<p>Not returned to Division</p> <p>Returned to Division, Unclaimed</p>
7840 El Cajon Blvd. La Mesa, CA 91942	Public records data	<ul style="list-style-type: none"> <li>▪ Certified Mail: 2-28-19</li> <li>6-21-19</li> </ul>	<p>Delivered to Front Desk/Reception/Mailing on 3-4-19.</p> <p>Second mailing returned to Division as insufficient address.</p>

431 S. Burnside Ave., Apt. 8L Los Angeles, CA 90036	Public records data	<ul style="list-style-type: none"> <li>▪ First Class U.S. Mail: 6-21-19</li> <li>▪ Certified Mail: 6-21-19</li> </ul>	Not returned to Division  Returned to Division, Attempted—Not Known
19847 Selena Ct Porter Ranch, CA 91326	Public records data	<ul style="list-style-type: none"> <li>▪ First Class U.S. Mail: 6-21-19</li> <li>▪ Certified Mail: 6-21-19</li> </ul>	Not returned to Division  Returned to Division, Attempted—Not Known
5010 Cass St. San Diego, CA 92109	Licensing data for Lee's resident license in California	<ul style="list-style-type: none"> <li>▪ First Class U.S. Mail: 7-12-19</li> <li>▪ Certified Mail: 7-12-19</li> </ul>	Returned to Division, Not deliverable  Returned to Division, Not deliverable
<a href="mailto:andrew@mhpinsurance.com">andrew@mhpinsurance.com</a>	Division Licensing Record for Lee	<ul style="list-style-type: none"> <li>▪ E-Mail: 8-2-18</li> <li>6-21-19</li> </ul>	Notice of delivery failure received for e- mail sent on 8-2-18.  E-mail dated 6-21-19 was not returned.
<a href="mailto:andrew@rfm-pinsurance.com">andrew@rfm-pinsurance.com</a>	Public records data	<ul style="list-style-type: none"> <li>▪ E-Mail: 2-27-19</li> <li>6-21-19</li> </ul>	E-mail dated 2-27-19 was not returned.  Notice of delivery failure received for e- mail sent on 6-21-19.
<a href="mailto:alee050@ucr.edu">alee050@ucr.edu</a>	Licensing data for Lee's resident license in California	<ul style="list-style-type: none"> <li>▪ E-Mail: 7-12-19</li> </ul>	E-mail on 7-12-19 was not returned.

39. Lee failed to provide the Division with an updated address within thirty days.
40. Lee failed to respond in any way to any of the Division's e-mails or letters.
41. Lee refused to provide an accurate mailing address when speaking with the Division investigator.
42. Lee provided an invalid e-mail address to the Division investigator.

### III. CONCLUSIONS OF LAW

#### COUNT ONE

##### **Misrepresentation On or Related to Insurance Applications**

43. 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.”

44. Lee’s actions in electronically signing the critical illness/term life policy application and completing the payment authorization form while purporting to be Consumer S were deceptive because they had the capacity to mislead the insurer into believing that Consumer S provided the required truthful answers, authorizations, and consent.

45. Consumer S neither consented to nor had knowledge that Lee, purporting to be her, electronically signed the application for the critical illness/term life policy.

46. Lee received \$1,992.64 in commissions by submitting the application with misrepresented information.

47. Lee’s acts and practices have been in violation of Iowa Code § 507B.4(3)(n) subjecting Lee to suspension or revocation of his insurance producer license, to the imposition of a civil penalty, an order requiring Lee 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 and 507B.7.



**COUNT TWO**  
**Improper Sales Tactics**

48. 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.”

49. Iowa Administrative Code chapter rule 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.

50. Under Iowa Administrative Code rule 191—15.8(2)(b)(1), a producer shall not “execute a transaction for an insurance customer without authorization by the customer to do so.”

51. Lee completed and submitted an application for insurance for Consumer S without her knowledge or consent.

52. Lee’s acts and practices have been in violation of Iowa Code § 507B.3 and Iowa Administrative Code rule 191—15.8(2)(b)(1) subjecting Lee to probation, suspension, or revocation of Lee’s insurance producer license, the imposition of a civil penalty, an order requiring Lee 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.

**COUNT THREE**  
**Failure to Cooperate**

53. Under Iowa Code § 522B.11(1)(p), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for failing or refusing to cooperate in an investigation.

54. Division investigators reached out to Lee numerous times and by multiple methods, including e-mail, first class mail, certified mail, and telephone.
55. Lee failed to respond to any of the Division's e-mails or letters.
56. Lee refused to cooperate with the Division's investigation when he spoke with a Division investigator by telephone and refused to provide a statement in response to Consumer S' complaint, refused to provide a valid mailing address, and terminated the telephone call.
57. Additionally, Lee attempted to deceive the Division investigator when he provided an e-mail address at a business for which he was no longer employed. When questioned about this, Lee insisted that he could still receive e-mails sent to his prior business e-mail address. Lee refused to provide any other e-mail address. The e-mail sent to the address he provided was immediately returned as not deliverable.
58. Lee's actions demonstrate that he deliberately sought to evade the Division's investigator in flagrant disregard of his obligation to cooperate with an active investigation.
59. Lee's acts and practices have been in violation of Iowa Code § 522B.11(1)(p) subjecting Lee to probation, suspension, or revocation of Lee's insurance producer license, the imposition of a civil penalty, an order requiring Lee 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, 522B.11, and 522B.17.

**COUNT FOUR**  
**Failure to Update Address**

60. Under Iowa Code § 522B.6(7) and Iowa Administrative Code rule 191—10.12(2), a licensee shall inform the Commissioner of a change of address within thirty days of the change.

61. The most recent addresses provided by Lee and recorded in the Division's producer licensing record are the following: mailing address of 1283 Van Nuys St., San Diego, CA 92109; residence address of 431 S. Burnside Ave., Apt 8L, Los Angeles, CA 90036; and business address of 1277 Van Nuys St., San Diego, CA 92109.

62. All the certified letters sent by the Division to the addresses specified in paragraph 61 herein were returned as "not deliverable" and all but one of the first class mailings were returned to the Division as well.

63. Despite providing the addresses specified in paragraph 61 herein to the Division, Lee provided different addresses to the California Department of Insurance merely ten days later.

64. Regular first class mail and certified mail sent to Lee at this alternate address were also returned to the Division as "not deliverable."

65. Lee did not timely inform the Commissioner of changes to his addresses.

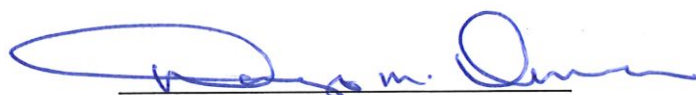
66. Lee's failure to inform the Commissioner of a change in address is a violation of Iowa Code § 522B.6(7) and Iowa Administrative Code rule 191—10.12(2), subjecting Lee to the imposition of a civil penalty, an order to cease and desist from engaging in the acts and practices alleged herein, the imposition 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 522B.17.

#### **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 Andrew Lee's Iowa nonresident insurance producer license is suspended for a period of twelve months, effective as of the date of this Consent Order, pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Respondent Andrew Lee is prohibited from selling, soliciting, negotiating, or transacting in the business of insurance in this state during his suspension pursuant to Iowa Code §§ 507B.7 and 522B.17; and
- C. Respondent Andrew Lee shall, contemporaneously with this Consent Order, pay for the costs of the investigation and proceeding in the amount of \$1,750.00 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.
- D. 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 5<sup>th</sup> day of November, 2019.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,



JOHANNA NAGEL  
Compliance Attorney

Two Ruan Center  
601 Locust St., 4<sup>th</sup> Floor  
Des Moines, IA 50309  
johanna.nagel@iid.iowa.gov  
515.725.1255  
**Attorney for Iowa Insurance Division**

Copy to:  
Andrew Lee  
431 S. Burnside Ave.,  
Apt 8L,  
Los Angeles, CA 90036  
alee050@ucr.edu  
**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 November 6, 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, Andrew Lee, 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.

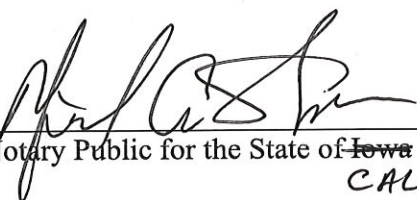
I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be 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.

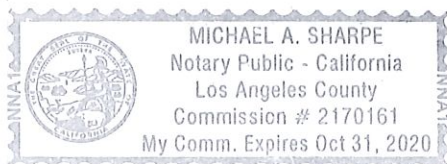
10/28/19  
Date

  
Andrew Lee, Respondent

431 S. Burnside Ave 8L Los Angeles CA, 90036  
Address of Signatory

Subscribed and sworn before me by Andrew Lee on this 28 day of October, 2019.

  
Notary Public for the State of ~~Iowa~~  
CALIFORNIA



RECEIVED

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COMMISSIONER OF INSURANCE  
INSURANCE DIVISION 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 REINSTATEMENT**

Upon entry of this Order, your insurance producer license will become inactive due to suspension. 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 reinstate your insurance producer license by order pursuant to Iowa Administrative Code rule 191—10.10.

Reinstatement 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 Reinstatement 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.