

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 103016
)	
RORY MORAVETZ,)	ORDER AND
NPN 18218244,)	CONSENT TO ORDER
DOB 11/10/XXXX,)	
)	
Respondent)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by consent of the Respondent Rory Moravetz, 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 Consent Order (“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. Rory Moravetz (“Moravetz”) is an individual with a last-known residence address of 1935 Winding Road, Apt. 1021, Davenport, IA 52807-1324.
3. Moravetz was licensed in the state of Iowa as a resident insurance producer from December 5, 2016 through August 13, 2019 when he voluntarily surrendered his license. He was licensed under National Producer Number 18218244.
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 April 1, 2019 to June 25, 2019, Moravetz 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. Moravetz 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, Moravetz designated the Commissioner as an agent for service of process.

7. The Division issued Moravetz a license as an insurance producer on December 5, 2016 and assigned to him National Producer Number 18218244.

8. Moravetz was a captive agent who sold supplemental insurance products on behalf of Combined Insurance Company of America (“Combined Insurance”). Moravetz was appointed with Combined Insurance from December 5, 2016 until he was terminated for cause, effective June 25, 2019, due to fraud and forgery.

9. Combined Insurance reviewed Moravetz’s business production and found some irregularities in Moravetz’s insurance sales practices.

10. Combined Insurance’s investigation led to the discovery of at least 12 policies that were set up to bill Moravetz’s personal account.

11. Moravetz was listed as the payer on the payment forms.

12. Moravetz used his personal address on the applications. Combined Insurance was not able to reach any of the 12 alleged insureds at the telephone numbers provided on the applications

13. In an interview with Combined Insurance, Moravetz admitted that he completed and signed the 12 applications on his own and that the alleged insureds were not aware of the coverage.

14. Moravetz acknowledged that he completed at least 12 applications for insurance with alleged insureds who were not present to sign the applications and this was done without the alleged insureds' knowledge or consent.

15. Moravetz forged the alleged insureds' signatures on the applications.

16. Moravetz received \$5,307.13 in commissions by submitting the unauthorized applications in the names of Ms. MN, Mr. JT, Mr. AM, Mr. JS, Ms TA, Ms. GM, Mr. AD, Mr. TA, Mr. JL, Ms SG, Mr. CP and Mr. RR.

17. On or about June 25, 2019, the Division was notified that Combined Insurance terminated Moravetz for cause due to fraud and forgery.

18. The Division's investigator sent a letter dated June 27, 2019 to Moravetz requesting his response to the termination for cause.

19. In his response, Moravetz stated that he would not cooperate in the Division's investigation as he would "invoke my fifth amendment right against self incrimination." He went on to say that he would "agree to surrender my license and never to sell insurance in the State of Iowa again."

20. The Division's investigator informed Moravetz that he was free to surrender his license but that his surrender would not affect the Division's investigation and his matter was being referred for the consideration of administrative action.

21. As of the date of this filing, Moravetz's account with Combined Insurance is not yet in debit balance but likely will be once all chargebacks are processed. Moravetz was overpaid \$1200.00 in monthly bonus earnings related to his allegedly fraudulent policies.

III. CONCLUSIONS OF LAW

COUNT ONE

Misrepresentation On or Related to Insurance Applications

22. 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.”

23. Moravetz 's forgeries on the Combined Insurance applications regarding payment authorization forms by use of his personal account for payment and incorrect personal addresses and telephone numbers were deceptive because they had the capacity to mislead Combined Insurance and because they fraudulently purported to be genuine information for the 12 alleged insureds.

24. Moravetz received at least \$5,307.13 in commissions by submitting twelve applications with misrepresented information.

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

26. Under Iowa Code § 522B.11(5), any penalty or remedy authorized by Chapter 507B may be imposed even if the person's license has been surrendered.

COUNT TWO
**USING FRAUDULENT, COERCIVE, OR DISHONEST PRACTICES, OR
DEMONSTRATING INCOMPETENCE OR UNTRUSTWORTHINESS**

27. 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.

28. Moravetz affixed 12 signatures of alleged insureds on policy application and the payment authorization form without their knowledge or consent. All of these forgeries relate to an insurance transaction and violate Iowa Code § 522B.11(1)(j).

29. Moravetz's failure to cooperate in an investigation by the commissioner violates Iowa Code § 522B.11(1)(p).

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

31. Under Iowa Code § 522B.11(5), any penalty or remedy authorized by Chapter 522B may be imposed even if the person's license has been surrendered.

COUNT THREE
Improper Sales Tactics

32. 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.”

33. 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.

34. 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.”

35. Moravetz completed and submitted 12 applications for insurance for alleged insureds without their knowledge or consent.

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

37. Under Iowa Code § 522B.11(1)(5), any penalty or remedy authorized by Chapter 507B may be imposed if the person’s license has been surrendered.

IV. ORDER

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

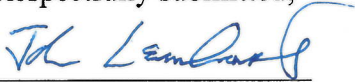
- A. Moravetz's Iowa resident insurance producer license is immediately revoked pursuant to Iowa Code §§ 507B and 522B;
- B. Moravetz, pursuant to Iowa Code §§ 507B.7 and 522B.17, shall immediately cease and desist from engaging in the business of insurance in this state;
- C. Moravetz shall make a payment of a civil penalty to the state of Iowa in the amount of \$1,000.00, 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 and 522B.17. Moravetz shall pay this amount by March 1, 2020 ;
- D. Moravetz shall make a payment to the State of Iowa for costs of the investigation and prosecution in the amount of \$500.00 pursuant to Iowa Code § 505.8. Moravetz shall pay this amount by March 1, 2020; and
- E. Moravetz is prohibited from applying for an insurance producer license in this state for ten years from the date of this Order.

SO ORDERED on the 17th day of December, 2019



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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Attorney for Iowa Insurance Division

Copy to:
Rory Moravetz
1935 Winding Hill Rd., Apt. 1021
Davenport, IA 52807-1324

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 December 11, 2019.

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

Signature: Hilary Foster
Hilary 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, Rory Moravetz, 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: 12/2/19



Rory Moravetz, Respondent

1935 Winding Hill Rd Davenport, IA 52807
Address of Signatory

Subscribed and sworn before me by Rory Moravetz on this 2 day of December, 2019.



Notary Public for the State of Iowa

