



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 88268
)	
PAUL S. HIETBRINK,)	ORDER AND CONSENT
NPN 11601095,)	TO ORDER
DOB 08/02/XXXX,)	
Respondent)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and consent of Respondent Paul S. Hietbrink, pursuant to Iowa Code Chapter 522B—Licensing of Insurance Producers, the Commissioner enters the following consent order (“Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Doug Ommen, administers Iowa Code Chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8. Commissioner Ommen has designated the Iowa Insurance Division to seek enforcement of these provisions.
2. Paul S. Hietbrink, (“Respondent”), is an individual with a last-known residence address of 119 13th St. SE, Sioux Center, IA 51250.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since September 11, 2008. He is licensed under National Producer Number 11601095.
4. From at least January 2012 through May 2015, Respondent 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 Chapter 522B and rules adopted pursuant to this chapter.



II. FINDINGS OF FACT

5. Respondent 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, Respondent designated the Commissioner as an agent for service of process.
6. The Division issued Respondent a license as an insurance producer on September 11, 2008 and assigned to him National Producer License Number 11601095.
7. Respondent was an appointed insurance agent for American Family Mutual Insurance Company (“American Family”) from September 2008 to May 2015.
8. Respondent held, during the relevant time period, a business checking account with American State Bank (“Business Account”) in which he commingled insurance business funds with personal transactions.
9. Respondent’s spouse, unaffiliated with Respondent’s insurance business, had regular access to the Business Account.
10. During the relevant time period and in accordance with the terms of American Family’s agency agreement with Respondent, signed by both parties with an effective date of September 23, 2008, Respondent opened and maintained a premium trust account with American State Bank (“Trust Account”).
11. All premium payments were required to be promptly deposited into the Trust Account and promptly remitted to the insurer, American Family.
12. From at least January 2012 to May 2015, Respondent deposited money for premiums from clients, into the Business Account instead of the Trust Account.

13. From at least January 2012 to May 2015, Respondent often failed to timely remit the full client premium payment to American Family.
14. Respondent received full annual or semi-annual premium payments for at least thirteen accounts which Respondent then remitted to American Family on an installment basis rather than promptly remitting the single large payment that he received from the clients.
15. Respondent's clients were unaware that Respondent was remitting their premium payments on a smaller, installment basis.
16. On numerous occasions Respondent not only failed to timely remit the full premium payments to American Family, but he also retained portions of the premium payment in the Business Account which was used for personal expenditures.
17. American Family conducted an investigation of Respondent in January 2013.
18. As a result of this investigation, Respondent was reprimanded for his premium payment practices which included failing to timely remit full premium payments to American Family.
19. Additionally, American Family conducted an audit of Respondent in 2015. The investigator recommended the termination of Respondent's agency agreement based upon the findings of the audit.
20. The audit revealed that Respondent routinely failed to timely remit premium payments which were paid in full to him. Instead, Respondent remitted installment payments over a period of time.
21. The audit revealed that Respondent made personal purchases from the Business Account which held client premium money.
22. The audit revealed that Respondent allowed his spouse to regularly make personal purchases using the Business Account.

23. At the time of the audit, Respondent had received from clients approximately \$10,000 in premium payments that he had not yet remitted to American Family.

24. When presented with the audit findings, Respondent decided to resign effective May 15, 2015.

25. Respondent ultimately remitted to American Family the total amount of client premium money paid to him.

26. Respondent is currently working as a full-time insurance producer for Ambank Insurance Inc., doing business as Perspective Insurance, located in Sioux Center, IA.

III. CONCLUSIONS OF LAW

COUNT I

Withholding, Misappropriating, and Converting of Funds

27. Under Iowa Code § 522B.11(1)(d), a license may be subject to probation, suspension, revocation, and civil penalties may be levied as provided in section 522B.17 for “improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.”

28. Respondent withheld funds by depositing money into the Business Account and not promptly remitting the full and proper payment to American Family.

29. Respondent misappropriated and converted his clients’ funds by depositing money for premiums into the Business Account, remitting partial payments on an installment basis instead of remitting the full and proper payment to American Family on a timely basis, and allowed the commingled funds to be used for personal expenditures.

30. Respondent’s acts and practices have been in violation of Iowa Code § 522B.11(1)(d) subjecting Respondent to probation, suspension, or revocation of Respondent’s insurance

producer license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging in such act or practice pursuant to Iowa Code §§ 522B.11 and 522B.17.

COUNT II
Demonstrating Financial Irresponsibility

31. A producer may be subject to probation, suspension, or revocation and civil penalties may be levied as provided in section 522B.17 under Iowa Code § 522B.11(1)(h) for demonstrating “financial irresponsibility in the conduct of business in this state or elsewhere.”

32. Respondent deposited money for premiums into the Business Account for numerous clients, but failed to remit the full premium payment to American Family on a timely basis.

33. Respondent regularly deposited checks for premiums into a business account to which his spouse had regular access.

34. Respondent regularly used and allowed his spouse to use business funds, which included his clients’ premium payments, on personal expenditures.

35. At the time of the 2015 audit, Respondent had failed to remit to American Family approximately \$10,000 in premium payments which he had previously received from clients.

36. All of these acts demonstrate financial irresponsibility in the conduct of insurance business.

37. Respondent’s acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to probation, suspension or revocation of Respondent’s insurance producer license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging in such act or practice pursuant to Iowa Code §§ 522B.11 and 522B.17.

COUNT III

Using Dishonest Practices and Demonstrating Untrustworthiness

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

39. Respondent engaged in dishonest practices in the insurance business by collecting money for premium payments, which he then promptly deposited into his Business Account, but failed to timely remit full and proper payments to American Family.

40. Respondent's clients who paid the annual or semi-annual premium payments in full did not know or authorize Respondent to remit the money to American Family in smaller, installment payments instead of the single payment which they had provided to Respondent.

41. Respondent's conduct in paragraphs 28 – 36 demonstrates untrustworthiness in the conduct of business.

42. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to probation, suspension or revocation of Respondent's insurance producer license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging in such act or practice pursuant to Iowa Code §§ 522B.11 and 522B.17.

IV. ORDER

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

- A. Respondent's Iowa resident insurance producer license is suspended pursuant to Iowa Code § 522B.11 for thirty (30) days effective February 10, 2017 through March 11, 2017;

- B. Respondent's Iowa resident insurance producer license is placed on probation pursuant to Iowa Code § 507B.7 and 522B.11 for six months effective on the date of his reinstatement and is subject to the completion of the following terms:
- i. Respondent shall be supervised by Rob Bixenman of Ambank Insurance Inc., doing business as Perspective Insurance. Respondent shall immediately notify the Division's Enforcement Bureau if Respondent's employment with Ambank Insurance Inc., terminates at any point during his suspension or probation period or if Rob Bixenman is unable to supervise Respondent.
 - ii. Respondent shall not receive, deposit, transfer, or handle in any way, client premium money.
- C. Respondent, pursuant to Iowa Code § 522B.17, is prohibited from engaging in any dishonest acts or practices, engaging in any acts or practices which demonstrate financial irresponsibility, and from withholding, converting, or misappropriating premium money;
- D. Respondent shall within sixty (60) days of this Order pay to the State of Iowa, Insurance Division, a civil penalty in the amount of \$2,300.00 payable to the Iowa Enforcement Fund to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8, 522B.11, 522B.17, and 507B.7;
- E. Respondent shall within sixty (60) days of this Order pay to the State of Iowa, Insurance Division, the amount of \$1,000.00 for costs of investigation and prosecution pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Enforcement Fund to provide funds for insurance enforcement and education;

- F. Respondent's Iowa resident insurance producer license shall be immediately suspended if Respondent fails to remit full payment of the ordered amounts for civil penalties and costs within sixty (60) days of this Order. This suspension shall be for a period of thirty (30) days or until such time as payment is remitted, whichever is greater; and
- G. Respondent shall not be eligible to have his insurance producer license reinstated, reissued, renewed, or to have a new license issued until each of the following has occurred:
- i. Respondent makes the appropriate Application for Reinstatement or Reissuance, which is approved by the Commissioner or his designee;
 - ii. Respondent pays all applicable fees; and
 - iii. Respondent complies with all other insurance statutes or regulations.

SO ORDERED on the 7th day of February, 2017.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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ATTORNEY FOR IOWA INSURANCE DIVISION

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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 February 7, 2017

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

Signature: Tammi L Green
Tammi L. Green

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, your license may be subject to revocation and 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 IMPACT OF ORDER ON EXISTING LICENSES

A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and result in license revocation or disciplinary action.

NOTICE REGARDING REINSTATEMENT OR REISSUANCE


A producer's license which has been revoked or suspended by order is not active until the producer has applied for and been granted reinstatement or reissuance pursuant to Iowa Administrative Code 191—10.10.

CONSENT TO ORDER AND AGREEMENT

I, Paul S. Hietbrink, 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 that this Order is considered a final administrative action that may be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand that this Order is a public record under Iowa Code Chapter 22, which will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code § 505.8(8)(d). I also understand that this Order will be posted to the Division's web site and a notation will be made to the publicly available web site record that administrative action has been taken against me.

Dated this 2 day of Feb., 2017.



Paul S. Hietbrink

119 13th St. SE Sioux Center IA 51250
Address of Signatory

Subscribed and sworn before me by Paul S. Hietbrink on this 2nd day of February, 2017.



Notary Public

