

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 103214
TODD R. WILSON,)	
NPN 11740038,)	ORDER AND CONSENT
DOB 5/11/XXXX,)	TO ORDER
)	
Respondent.)	

COMES NOW the Iowa Insurance Division (“Division”) 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 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 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. Todd R. Wilson (“Wilson”) is an individual with a last-known address of 225 Prairie View Drive #7312, West Des Moines, Iowa 50266.
3. Wilson is and has been licensed in the state of Iowa as a resident insurance producer since November 20, 2017. Wilson was previously licensed in the state of Iowa as a resident insurance producer from September 25, 2008 to May 15, 2017. He is licensed under National Producer Number 11740038.
4. Pursuant to Iowa Code § 505.28, Wilson has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.

5. From on or about May 2015 until present, Wilson 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 §§ 505, 507B, 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

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

7. The Division issued Wilson a license as a resident insurance producer on September 25, 2008, and assigned to him National Producer Number 11740038. On May 15, 2017, Wilson surrendered his Iowa resident insurance producer license to become a resident insurance producer in Arizona. On November 20, 2017, Wilson again applied for and was issued an Iowa resident insurance producer license.

8. From 2011-2017, Wilson was a captive agent who sold insurance products, including life insurance, on behalf of Bankers Life and Casualty Company (“Bankers”).

9. In 2015, Bankers’ compensation structure incentivized agent policy sales by offering up to \$35,000.00 in bonuses to agents on a quarterly basis.

Consumers M.W and D.W.

10. On May 13, 2015, Wilson and another Bankers’ agent, Joseph Van Dyke (“Van Dyke”), visited Consumer M.W. and her husband Consumer D.W. at their home. Consumer M.W. indicated that she was interested in a short-term investment where she could deposit her monthly social security payments for a period of two to three years to earn interest and then liquidate the

investment to pay off their home mortgage. During the home visit, Consumer M.W. stated several times that she was interested in a short-term investment.

11. On June 18, 2015, Wilson recommended an Indexed Flexible Premium Adjustable Life Policy (“Universal Life Policy”), representing that Consumer M.W. would earn 6% interest and get some insurance as a bonus. Wilson recommended that Consumer M.W. fund the policy with monthly payments of \$1,250.00.

12. On June 18, 2015, Consumer M.W. signed an application for the Universal Life Policy with a face value of \$430,000.00. Wilson completed the application for Consumer M.W.

13. On June 18, 2015, a Life Insurance Recommendation and Replacement Comparison Worksheet was completed by Wilson and signed by Consumer M.W. This form identified that the purpose for purchasing the insurance was “TAX FREE MONEY TO LEAVE TO SPOUSE AND KIDS.”

14. Consumer M.W. was 65 years old at the time of the Universal Life Policy application.

15. Wilson did not tell Consumer M.W. the amount of death benefit of the policy, the cost of life insurance, or the credit allocation. Nor did Wilson tell Consumer M.W. the effect surrender charges would have on her ability to withdraw funds from the policy.

16. This sale occurred near the end of a quarter in which Wilson was close to achieving enough sales to earn a \$35,000.00 bonus. Wilson received a commission of \$4,691.24 from Bankers and also received the \$35,000.00 quarterly bonus.

17. Consumer M.W. completed a paramedical exam, blood draw, provided a urine sample, and an EKG as part of the application and underwriting process.

18. On June 27, 2015, Bankers issued the Universal Life Policy to Consumer M.W.

19. On August 4, 2015, Wilson delivered the policy to Consumer M.W. and she signed a receipt of insurance signature page.

20. After months of not receiving any investment statements, Consumer M.W. carefully reviewed the Universal Life Policy Wilson delivered to her. Consumer M.W. then realized she had not purchased an investment, but had instead purchased a large life insurance policy that would not provide her any interest income or the return of her investment money.

21. Consumer M.W. confronted Wilson, telling him he sold her something she did not want and it did not meet her intent. Wilson represented that he must have misunderstood what she wanted. Wilson stated that he would try and get Bankers to return Consumer M.W.'s money and if this failed, that he would personally reimburse her.

22. On June 6, 2016, Consumer M.W. contacted Bankers and asked to have her death benefit amount lowered to make the premiums affordable. Bankers declined to lower the death benefit.

23. In July of 2016, Consumer M.W. asked Bankers for a refund of the premiums she paid for the Universal Life Policy. Bankers declined to refund the policy based on Consumer M.W.'s signature on the delivery receipt that stated she understood the benefits and terms of the policy.

24. In July of 2016, Consumer M.W. quit making payments to Bankers for the Universal Life Policy. By this time, Consumers M.W. and D.W. had paid Bankers \$12,059.00.

25. On November 26, 2016, the Universal Life Policy terminated for non-payment of premium due.

26. On December 27, 2016, Consumer M.W. received a \$1,000.00 payment from Wilson's personal account.

27. On February 13, 2017, Wilson made another \$1,000.00 payment to Consumer M.W. from his personal account.

28. On February 16, 2017, Wilson sent Consumer M.W. the following text message:
- [Consumer M.W.] I'm sending out a new check this morning in the mail for you. I just received an email that the Company is now further checking into this again. It is being driven by my manager in Des Moines. Just want to give you a heads up. With confidence again I please ask that the check payments I send you remain private between us and not discussed if anyone was to contact you. Sorry this has been such an ordeal I just want to do whatever I possibly can to make this right for you.
29. On October 16, 2017, Wilson made another \$1,000.00 payment to Consumer M.W. from his personal account.
30. On November 8, 2017, Wilson voluntarily terminated his appointment with Bankers.
31. On February 25, 2019, Consumer M.W. submitted a complaint to the Division and Bankers.
32. On July 23, 2019, Bankers returned all the premiums paid into the policy to Consumer M.W., which amounted to \$12,059.00. Bankers noted "as former agent Todd Wilson felt that he should personally return some of the premiums M.W. had paid into the policy, it appears the policy issued was not what M.W. thought she was purchasing."
33. On August 16, 2019, Bankers notified the Commissioner that it changed Wilson's termination status to "cause" due to violations of his agent contract and agent compliance guidelines. In conjunction with the termination for cause, Bankers charged back Wilson \$4,691.24 for the commission related to the Consumer M.W. sale.

Division's Interview of Van Dyke

34. During the Division's interview, Van Dyke stated that the time of the meeting and sale to Consumer M.W., he was in training and had very little understanding of universal life insurance.

35. Van Dyke confirmed that he recalled Consumer M.W. indicating that she was seeking an investment to put social security payments into for two to three years in order to save money to pay off her home.

36. Van Dyke did not recall Consumer M.W. ever telling him or Wilson that she wanted life insurance for a legacy.

37. Van Dyke is now an experienced agent and understands universal life insurance. Van Dyke now recognizes that the Universal Life Policy offered by Wilson, would have “absolutely not” met Consumer M.W.’s goals.

38. While a newer agent at Bankers, Van Dyke observed all the agents starting to panic about getting their business in towards the end of the quarter in order to receive a bonus.

Division’s Interview of Wilson

39. Investigators with the Division interviewed Wilson on July 31, 2019.

40. Wilson had been a Bankers agent for over four years at the time he met with Consumers M.W. and D.W. at their home.

41. Wilson stated that Consumer M.W.’s primary goals were to invest to earn interest and obtain growth in her investment money. Additionally, Consumer M.W. indicated that she needed liquidity.

42. Wilson admitted that he sold Consumer M.W. a universal life policy in June of 2015 and it “caused a lot of problems for her.”

43. Wilson described his understanding of non-guaranteed universal life insurance in the past as “kind of negligent” and he “didn’t understand the risk.”

44. Wilson confirmed that Consumer M.W. contacted him in late 2016 upset about the product. Wilson admitted when he received this call he felt, “extremely guilty about that, like, it made me sick that she was in the position she was, and I sent her back premium money.”

45. Wilson further admitted, “It was just bad, it was just a bad product, it wasn’t properly explained on my end to be completely honest with you.”

46. Wilson admitted he made errors in the sales process, stating “I think it was rushed, ummm, it was extremely rushed on my end, ummm, around that time I was trying to bonus. . . at that time I was probably selfish I was probably thinking about my needs rather than hers to be honest with you . . . I fully take ownership on that and responsibility for that.”

47. Wilson noted that Bankers’ bonus structure influenced this sale. “I, I mean it sometimes, that bonus I just feel like can have people do unethical things, and not saying what I did was unethical, but I mean it just kind of pushes that limit. And I really wish I would have spent more time and not rushed it like I did. So I take complete ownership of that.”

48. Wilson stated if he “maximized” his bonus by selling \$40,000.00 in commissions in a three month span he would get a \$35,000.00 bonus. Wilson described the bonus as “big money.”

49. Wilson admitted that he made three \$1,000.00 payments to Consumer M.W. and sent her a text message on February 16, 2017, asking her to not discuss the payments with anyone if they were to contact her.

III. CONCLUSIONS OF LAW

COUNT I

Misrepresentation on Insurance Application

50. 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.”

51. Wilson misrepresented the Universal Life Policy as an investment earning 6% interest that Consumer M.W. would get life insurance as a “bonus.”

52. Wilson misrepresented Consumer M.W.’s purpose in the Life Insurance Recommendation and Replacement Comparison Worksheet as “TAX FREE MONEY TO LEAVE TO SPOUSE AND KIDS.” At no time did Consumer M.W. tell Wilson she wanted life insurance to leave to her spouse and kids.

53. Wilson received a commission from Bankers for the submission and issuance of the Universal Life Policy.

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

55. 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.”

56. Under Iowa Administrative Code rule 191—15.8(4) *Suitability*

A producer shall not recommend to any person the purchase, sale or exchange of any life insurance policy, or any rider, endorsement or amendment thereto, without reasonable grounds to believe that the transaction or recommendation is not

unsuitable for the person based upon reasonable inquiry concerning the person's insurance objectives, financial situation and needs, age and other relevant information known by the producer. For purposes of this subrule, when a producer recommends a group life insurance policy, "person" shall refer to the intended group policy owner.

57. The Universal Life Policy Wilson recommended to Consumer M.W. did not fit her financial situation, insurance needs, or financial objective.

58. Wilson did not properly advise Consumer M.W. of the universal life product's features.

59. Wilson did not advise Consumer M.W. how a surrender charge would affect her ability to withdraw funds from the policy.

60. Wilson did not advise Consumer M.W. of the amount of death benefit that was contained in the policy.

61. Wilson's acts and practices have been in violation of Iowa Code § 507B.3 and Iowa Administrative Code rule 191—15.8(4) subjecting Wilson to suspension or revocation of Wilson's insurance producer license, the imposition of a civil penalty, an order requiring Wilson 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 III

Using Fraudulent, Coercive, or Dishonest Practices or Demonstrating Incompetence or Untrustworthiness

62. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for using fraudulent, coercive, or dishonest practices or demonstrating incompetence or untrustworthiness.

63. Wilson used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, or untrustworthiness when he made personal payments to Consumer M.W. as hush money and sent the following text message:

[Consumer M.W.] I'm sending out a new check this morning in the mail for you. I just received an email that the Company is now further checking into this again. It is being driven by my manager in Des Moines. Just want to give you a heads up. With confidence again I please ask that the check payments I send you remain private between us and not discussed if anyone was to contact you. Sorry this has been such an ordeal I just want to do whatever I possibly can to make this right for you.

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

IV. ORDER

IT IS THEREFORE ORDERED that Wilson's resident insurance producer license is suspended for a period of twelve months, effective as of the date of entry of this Consent Order, pursuant to Iowa Code §§ 507B.7 and 522B.11.

IT IS FURTHER ORDERED that Wilson is prohibited from selling, soliciting, or negotiating insurance in the state of Iowa during his suspension.

IT IS FURTHER ORDERED that Wilson shall, contemporaneously with this Consent Order pay 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 and 507B.7.

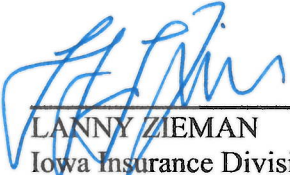
IT IS FURTHER ORDERED that Wilson is prohibited from engaging in any unfair or deceptive trade practice or in any fraudulent practice.

These orders may be enforced under Iowa Code chapters 505 and 522B, including but not limited to Iowa Code § 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 17th day of February, 2020.


DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



LANNY ZIEMAN
Iowa Insurance Division
Two Ruan Center
601 Locust St. – 4th Floor
Des Moines, Iowa 50309-3738
Phone: (515) 281-8160
ATTORNEY FOR THE DIVISION

Copy to:
Todd Wilson
225 Prairie View Drive #7312
West Des Moines, Iowa 50266

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 17, 2020.

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

Signature: 
Hilary Foster

CONSENT TO ORDER AND AGREEMENT

I, Todd Wilson, 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.

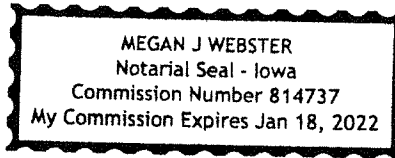
2-10-20
Date

Todd Wilson
Todd Wilson, Respondent

225 Prairie View Dr. West Des Moines, IA. 50266
Address of Signatory

Subscribed and sworn before me by Todd Wilson on this 10 day of February, 2020.

Megan Webster 2-10-2020
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 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 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.