

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 102492
JONATHAN SCHLUE,)	ORDER AND CONSENT
NPN 16841833,)	TO ORDER
DOB 05/07/XXXX,)	
Respondent.)	

COMES NOW the Iowa Insurance Division (“Division”) and pursuant to the provisions of Iowa Code chapter 522B—Licensing of Insurance Producers, 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 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Jonathan Schlue (“Schlue”) is an individual with a last known address of 4303 Wittman Drive, Davenport, Iowa 52806-4350.
3. Schlue is and has been licensed in the state of Iowa as a resident insurance producer since December 5, 2012. He is licensed under National Producer Number 16841833.
4. Pursuant to Iowa § 505.28, Schlue has consented to the jurisdiction of the Commissioner of Insurance (“Commissioner”) by committing acts governed by Iowa Code chapters 507B and 522B.
5. Between May 1, 2017 and August 1, 2019, Schlue failed to report his criminal prosecution, failed to report administrative actions taken by other states and had his insurance producer license suspended or revoked by another state as alleged herein 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 507B and 522B and the rules adopted pursuant to this chapter.

II. FINDINGS OF FACT

6. On or about December 5, 2012, Schlue 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, Schlue designated the Commissioner as an agent for service of process.

7. The Division issued Schlue a license as an insurance producer on December 5, 2012 and assigned him National Producer Number 16841833.

8. On May 9, 2018, Chesapeake notified the Division that it had terminated Schlue “for cause.”

9. On October 22, 2018, Mutual of Omaha notified the Division that it had terminated Schlue “for cause.”

Other State Agency Actions

10. On December 20, 2018, the South Dakota Insurance Division issued a consent order revoking Schlue’s non-resident insurance producer’s license.

11. On February 26, 2019, the Nebraska Department of Insurance issued a consent order suspending Schlue’s non-resident insurance producer’s license.

12. On July 11, 2019, the Kansas Insurance Department issued a summary order revoking Schlue’s non-resident insurance agent license. The order alleged that Schlue forged another person’s name to documents related to an insurance transaction; used fraudulent practices in the conduct of business in Kansas and elsewhere; and intentionally misrepresented the provisions,

terms, and conditions of an actual or proposed insurance contract or application for insurance. The Kansas Insurance Department's summary order became final on July 27, 2019.

Criminal Prosecution

13. On May 23, 2019, the Iowa Insurance Division Fraud Bureau filed ten criminal complaints related to Schlue's conduct as an insurance producer.
14. On June 24, 2019, the Scott County Attorney filed a Trial Information in FECR401633 alleging that Schlue committed ten felony criminal offenses related to the business of insurance including: ongoing criminal conduct – unlawful activity; four counts of insurance fraud - application submission; two counts of fraudulent sales practices under \$10,000.00; two counts of conspiracy to commit non-forcible felony; and theft second degree.
15. On June 18, 2019, Schlue's preliminary hearing was held in case number FECR401633.
16. Schlue did not report his criminal prosecution to the Division within thirty days of his preliminary hearing.

III. CONCLUSIONS OF LAW

COUNT ONE

Failing to Report Criminal Prosecution

17. Under Iowa Code § 522B.11(1)(b), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for violating any insurance laws, or violating any regulation, subpoena, or order of the Commissioner.
18. Iowa Code § 522B.16(2) provides:

Within thirty days of the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

19. Schlue failed to report his criminal prosecution to the Commissioner within thirty days of his preliminary hearing in Scott County District Court.

20. Schlue's acts and practices have been in violation of Iowa Code § 522B.16(2) subjecting Schlue to probation, suspension, or revocation of Schlue's insurance producer license, the imposition of a civil penalty, an order requiring Schlue 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 §§ 522B.11, 522B.17, 505.8 and Iowa Administrative Rule 191—10.20(4)(b).

COUNT TWO

Failing to Report an Administrative Action Taken in Another Jurisdiction

21. Iowa Code § 522B.16(1) provides:

An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to the order, and other relevant legal documents.

22. Schlue failed to report the administrative actions taken against him by the Nebraska Department of Insurance and the Kansas Insurance Division within thirty days of the final disposition of each matter.

23. Schlue's acts and practices have been in violation of Iowa Code § 522B.16 subjecting Schlue to probation, suspension, or revocation of Schlue's insurance producer license, the imposition of a civil penalty, an order requiring Schlue 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 §§ 522B.11, 522.B17, 505.8 and Iowa Administrative Rule 191—10.20(5).

COUNT THREE

Having an Insurance Producer License Suspended or Revoked by Another State

24. Under Iowa Code § 522B.11(1)(i), an insurance producer's license may be subject to probation, suspension, or revocation for having his or her insurance producer license denied, suspended, or revoked in any other state, province, district, or territory.
25. Schlue's South Dakota non-resident insurance producer license was revoked on December 20, 2018.
26. Schlue's Nebraska non-resident insurance producer license was suspended on February 26, 2019.
27. Schlue's Kansas non-resident insurance agent's license was revoked on July 27, 2019.
28. Schlue's acts and practices have been in violation of Iowa Code § 522B.11(1)(i) subjecting Schlue to probation, suspension, or revocation of Schlue's insurance producer license, the imposition of a civil penalty, an order requiring Schlue 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 §§ 522B.11, 522.B17, 505.8 and Iowa Administrative Rule 191—10.20(5).

IV. ORDER

IT IS THEREFORE ORDERED that Schlue's resident insurance producer license is revoked effective as of the date of entry of this Consent Order, pursuant to Iowa code § 522B11.

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

IT IS FURTHER OREDERD that Schlue is permanently prohibited from applying for a license in the state of Iowa

SO ORDERED on the 31st day of March, 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

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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 April 1, 2020.

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

Signature: /s/ 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 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.



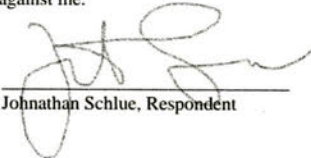
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CONSENT TO ORDER AND AGREEMENT

I, Johnathan Schlue, 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.

3/27/20
Date

Johnathan Schlue, Respondent

I agree to the form of this document. I have advised the contents of this document to my Mr. Schlue prior to his signature.

03/27/2020
Date

CeCelia Ibson, Attorney for Respondent



Save to my Dropbox

