



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 104040
)	
LAWRENCE L. ROBERTS,)	ORDER AND
NPN 6865756,)	CONSENT TO ORDER
DOB 10/16/XXXX,)	
)	
LEGENDS AGENCY, LLC)	
BEP #1002308854)	
NPN 18686542)	
)	
Respondents.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondents Lawrence L. Roberts and Legends Agency LLC, 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 10—Insurance Producer Licenses and Limited Licenses, 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, and Iowa Administrative Code chapter 10—Insurance Producer Licenses and Limited Licenses pursuant to Iowa Code § 505.8.
2. Lawrence L. Roberts (“Roberts”) is an individual with a last-reported residence, business, and mailing address of 814 NE Cherry Plum Drive, Ankeny, Iowa 50021; however, the address known to the Division through investigation is 3209 NE Huntington Lane, Ankeny 50021.
3. Legends Agency, LLC (“Legends”) is a limited liability company, incorporated in the state of Iowa, with a last-reported address of 814 NE Cherry Plum Drive, Ankeny, Iowa 50021;

however, the address known to the Division through investigation is 3209 NE Huntington Lane, Ankeny 50021. Roberts is the owner of and registered agent for Legends.

4. Roberts is and has been licensed in the state of Iowa as a resident insurance producer since June 29, 2017. He is licensed under National Producer Number 6865756.

5. Legends is and has been licensed in the state of Iowa as a business entity producer (“BEP”) since January 31, 2018. Legends is licensed under BEP License Number 1002308854 and National Producer Number 18686542. Roberts is the designated responsible licensed producer (“DRLP”).

6. Pursuant to Iowa Code § 505.28, Roberts and Legends (collectively referred to herein as “Respondents”) have consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.

7. On or about October 23, 2018, Respondents 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

8. Roberts 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, Roberts designated the Commissioner as an agent for service of process.

9. The Division issued Roberts a license as an insurance producer on June 29, 2017 and assigned to him National Producer Number 6865756.

10. Legends applied for a business entity producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Business Entity Producer License. In submitting the Uniform Application for Business Entity Producer License, Legends designated the Commissioner as an agent for service of process. The Division issued Legends a BEP license on January 31, 2018 and assigned to it BEP License Number 1002308854 and National Producer Number 18686542.
11. Respondents were Independent Marketing Organization (“IMO”) agents appointed with United HealthCare Insurance Co. (“UHC”) during the relevant time period.
12. On October 23, 2018, Roberts went to One Vision, a 24-hour residential group home providing care for five individuals with various degrees of mental and physical disabilities.
13. Roberts, on behalf of Legends, sold a UHC Dual Complete plan (“UHC plan”) to Consumer NS during this visit. The UHC Dual Complete plan is a Medicare Advantage plan designed for people with special health care needs.
14. Consumer NS has significant physical and mental disabilities. Consumer NS is a quadriplegic with cerebral palsy, is unable to control his posture enough to prevent choking and aspiration, needs assistance with all activities of daily living, and cannot verbally communicate.
15. Consumer NS’s only method of communication is to point with his eyes or blink in response to yes or no questions.
16. Consumer NS’s parents have legal guardianship over Consumer NS.
17. Consumer NS’s parents were not advised of or present for the sales presentation and application process. A One Vision staff member was present during the October 23rd visit.
18. The One Vision staff member does not have guardianship or power of attorney over Consumer NS and did not have authority to enroll Consumer NS in a new healthcare plan. The

One Vision staff member did, however, advise Roberts that she “helped [N.S.] with these sorts of things.”

19. Roberts presented the UHC plan as a benefit and/or discount card that would give Consumer NS “free money” that could be used to buy over the counter items he currently paid for out of pocket and would not result in any changes to his existing coverage.

20. After listening to Roberts’s presentation of the UHC plan, the One Vision staff member stated she mistakenly believed that the UHC plan was simply a benefits program, not an insurance plan.

21. The One Vision staff member stated she asked Roberts during the visit whether or not the UHC plan would impact Consumer NS’s existing coverage, including the doctors he could see and his prescribed medications. Roberts advised that the UHC plan would not result in any coverage changes.

22. Roberts did not review Consumer NS’s medical records in order to verify that the new UHC Plan would provide coverage for all of his physicians and medical needs.

23. Even when the One Vision staff member told Roberts that Consumer NS went to a medical clinic out-of-state and that he had an existing plan through Wellmark Blue Cross and Blue Shield (“Wellmark”), Roberts continued to assert that the plan would not impact Consumer NS’s insurance coverage or ability for his medical treatments to be covered. Consumer NS’s existing Wellmark plan was a Medicare Supplement plan.

24. At the end of the presentation, Roberts completed an electronic application for the UHC plan and then handed the tablet to the One Vision staff member for Consumer NS’s signature. The One Vision staff member put her hand over Consumer NS’s hand and signed the electronic application.

25. Consumer NS did not have the requisite capacity to sign the application for insurance.
26. Roberts signed the electronic application as agent of record on behalf of Legends.
27. Medicare and UHC training documents require a Scope of Appointment form be signed by the applicant (or authorized representative) and the producer prior to any sales presentations. This form specifies the types of plans that a Medicare beneficiary (or their authorized representative) are interested in discussing with a producer.
28. Roberts did not present the Scope of Appointment form to Consumer NS and the One Vision staff member until *after* the sales presentation and completion of the application. Furthermore, Consumer NS did not have the requisite capacity to sign the form.
29. At no point prior to the sales presentation or application for enrollment, did Roberts ask if Consumer NS had a guardian, power of attorney, or payee.
30. At no point did Roberts ask about or assess Consumer NS's comprehension of the presentation materials or the features, benefits, or disadvantages of the UHC product.
31. Roberts never told Consumer NS, Consumer NS's guardians, or the One Vision staff member that Consumer NS's Medicare Supplement policy would need to be cancelled despite knowing that Medicare Supplement policies cannot work with Medicare Advantage policies. Nor did Roberts tell Consumer NS, Consumer NS's guardians, or the One Vision staff member that Consumer NS would need to contact Wellmark directly to cancel his Medicare Supplement policy.
32. The UHC policy was issued with an effective date of January 1, 2019.
33. Consumer NS's guardians continued to submit premium payments to Wellmark in the amount of \$427.20 for the Medicare Supplement policy in January and February even though it no longer provided any benefit due to Consumer NS's enrollment in the UHC plan.

34. Consumer NS's guardians never consented to a change in Consumer NS's health insurance. In fact, Consumer NS's guardians first became aware that Consumer NS had been sold a new insurance plan on or about January 16, 2019. They were alerted when My MedMart, a DME vendor that supplies the medically prescribed items necessary for Consumer NS's care, notified them that Consumer NS's claims (which had always previously been covered) were being denied.

35. In addition to discovering that some prescription items that Consumer NS uses on a daily basis would not be covered under the new UHC plan, Consumer NS's guardians found out that Consumer NS's primary doctor and clinic, overseeing Consumer NS's care for the last 20 years, would require authorization under the new UHC plan before they could be covered as an out-of-network provider.

36. Consumer NS's guardians filed a complaint with CMS and UHC sometime in February 2019 and filed a complaint with the Division on February 27, 2019.

37. On or about February 21, 2019, UHC processed a disenrollment and retroactively terminated Consumer NS's UHC plan policy and his original insurance plans were reinstated.

UHC Training and Compliance Investigations Unit (CIU) Investigation

38. Producers appointed with UHC must pass compliance and Medicare basics training modules on an annual basis.

39. This training explains, in relevant part, that:

- a. Scope of Appointment forms are used to memorialize a consumer's, or the authorized representative's, consent to discuss certain products with a producer during a sales appointment. This form must be reviewed and signed by the consumer *prior to* any appointment. (Emphasis added);

- b. A producer must ask if a consumer has a power of attorney or authorized representative if the consumer appears to have either physical or mental challenges “that may impede their ability to enroll themselves in a plan;”
- c. Obtain provider information and look up the consumer’s primary physician to determine if the physician is in the network for the specific recommended plan; and
- d. If a consumer is already enrolled in a Medicare Supplement plan and are sold a Medicare Advantage plan, producers should advise the consumer that the supplement plan does not work with the advantage plan, the supplement plan does not automatically terminate upon enrollment in an advantage plan, and that the consumer must contact the supplement plan insurer to cancel their supplement policy.

40. Beginning February 4, 2019 and continuing through July 24, 2019, UHC’s CIU conducted an investigation into Respondents’ sale to Consumer NS.

41. The report found that Roberts violated UHC’s compliance standards by enrolling Consumer NS into a plan that the authorized representative did not authorize and by failing to work with Consumer NS’s authorized representative even though Consumer NS had both mental and physical limitation issues that prevented him from fully understanding the plan.

Change of Address

42. Respondents failed to inform the Commissioner or the Division’s Product and Producer Regulation Bureau within thirty days of the change that the last-reported residence, business and mailing address of 814 NE Cherry Plum Drive, Ankeny, Iowa 50021 was no longer correct.

43. During an interview with Division investigators on January 9, 2020, when asked to provide his current address, Roberts stated that his current address was 3209 NE Huntington

Lane, Ankeny 50021. Roberts also stated that the current address for Legends was 3209 NE Huntington Lane, Ankeny 50021.

III. CONCLUSIONS OF LAW

COUNT ONE

Unfair or Deceptive Acts or Practices and Misrepresenting Benefits, Advantages, Conditions, or Terms of a Policy

44. 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.”

45. Under Iowa Code § 507B.4(3)(a)(1), it is an unfair method of competition and an unfair or deceptive act or practice to misrepresent the benefits, advantages, conditions, or terms of any insurance policy in any statement, sales presentation, omission, or comparison.

46. Roberts misrepresented the benefits, advantages, conditions, or terms of the UHC policy by falsely stating that the UHC policy would not change Consumer NS’s coverage, ability to see his primary physician out-of-state, or his ability to obtain medically prescribed items. In fact, Consumer NS’s primary physician was not an in-network provider under the UHC plan and claims for some of Consumer NS’s necessary, prescribed items were initially denied. Consumer NS could have exhausted his in-network options and then requested that UHC approve treatment by his out-of-network physician.

47. As a result of Roberts’s sales presentation, the One Vision staff member believed that the UHC plan was simply a benefit and/or discount card, not an insurance policy.

48. As a result of Roberts’s statements that the product he was selling would not change Consumer NS’s coverage, the One Vision staff member believed that the benefits, advantages, conditions, or terms of Consumer NS’s existing policy coverage would not change.

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

50. 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.

51. Under Iowa Code § 522B.11(3), a business entity's license may be suspended, revoked, or refused if a partner, officer, or manager acting on behalf of the business entity knew or should have known of the individual licensee's violation and the violation was not reported to the Commissioner and corrective action taken.

52. Under Iowa Administrative Code rule 191—10.18(1), a business entity is subject to all standards of conduct applicable to producers.

53. Roberts demonstrated incompetence when he failed to verify if Consumer NS had a power of attorney or authorized representative despite observing Consumer NS's severe disabilities.

54. Roberts demonstrated incompetence when he failed to verify Consumer NS's understanding of the product he was selling.

55. Roberts demonstrated incompetence when he failed to verify both that the One Vision staff member could successfully explain the product to Consumer NS and that the One Vision

staff member could accurately interpret Consumer NS's blinks, notwithstanding her claim that she could in fact do so.

56. Roberts demonstrated incompetence when he failed to verify that the One Vision staff member had authority to assist Consumer NS in making insurance related decisions.

57. Roberts demonstrated incompetence when he failed to have Consumer NS, or his authorized representative, sign the scope of appointment form prior to his sales presentation.

58. Even if Roberts presented the scope of appointment form prior to his sales presentation, Consumer NS did not have the requisite capacity to sign the form and the presentation should have never begun.

59. Roberts demonstrated incompetence when he failed to ensure that the UHC plan would be appropriate for Consumer NS's medical needs. Roberts neither reviewed nor asked for a list of Consumer NS's physicians.

60. Roberts or demonstrated incompetence when he failed to advise Consumer NS, his guardians, or the One Vision staff member that Consumer NS's Medicare Supplement plan would not work with the UHC plan and that Consumer NS would need to contact the supplement insurer to cancel the plan.

61. Roberts demonstrated incompetence when he failed to adhere to UHC's compliance and training guidelines regarding the sale of its products to consumers.

62. Roberts did these acts on behalf of Legends, a licensed business entity, of which he is the sole owner. Neither Roberts, nor anyone else on behalf of Legends, reported the violation to the Commissioner until after the Division initiated an investigation.

63. Respondents' acts and practices have been in violation of Iowa Code §§ 522B.11(1)(h), 522B.11(3), and Iowa Administrative Code rule 191—10.18(1), subjecting Respondents to

suspension or revocation of Respondents' insurance producer license and business entity license, the imposition of a civil penalty, an order requiring Respondents 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, and 505.8.

COUNT THREE
Failure to Update Address

64. Under Iowa Code § 522B.6(7), a licensee shall inform the Commissioner of a change of address within thirty days of the change.
65. Under Iowa Administrative Code rule 191—10.18(5), the DRLP must notify the Commissioner of the business entity's change of address within thirty days of the change.
66. Respondents failed to inform the Commissioner within thirty days that the 814 NE Cherry Plum Drive, Ankeny, Iowa 50021 was no longer a current business, residence, or mailing address for Roberts or Legends.
67. Roberts did provide his new address to the Division's investigators during an interview on January 9, 2020.
68. Respondents failed inform the Commissioner of a change in address is a violation of Iowa Code § 522B.6(7) and Iowa Administrative Code rule 191—10.18(5), subjecting Respondents to a penalty, 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 522B and 507B:

- A. Roberts's Iowa resident insurance producer license is immediately suspended for a period of two months pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Legends's business entity producer license is immediately suspended for a period of two months pursuant to Iowa Code §§ 507B.7 and 522B.11;
- C. Respondents shall immediately cease and desist from engaging in the acts or practices found herein pursuant to Iowa Code §§ 507B.7 and 522B.17;
- D. Respondents shall, within seven (7) days of this Consent Order, pay a civil penalty in the amount of \$1,000.00, made 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.7, 522B.11, and 522B.17;
- E. Respondents shall, within seven (7) days of this Consent Order, pay the amount of \$2,000.00 for costs of investigation and proceeding 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;
- F. Roberts, to demonstrate his competence, shall identify and complete twelve (12) hours of continuing education or college level courses on the following subject matters prior to the end of the suspension period:
 - a. Ethics in the Business of Insurance;
 - b. Medicare and Medicaid; and
 - c. Health Insurance, including supplemental insurance, Principles and Products.

G. 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 amount.

SO ORDERED on the 6th day of May, 2020.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,

/s/ Johanna Nagel
Johanna Nagel
Iowa Insurance Division
Two Ruan Center
601 Locust St. – 4th Floor
Des Moines, Iowa 50309-3738
Phone: (515) 725-1255
Attorney for the Iowa Insurance Division

Copy to:
Adam Zenor
AZenor@grefesidney.com

Derek LaBrie
DLaBrie@grefesidney.com
**ATTORNEYS
FOR RESPONDENTS**

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 May 6, 2020.

By: First Class Mail Personal Service
 Restricted certified mail, return receipt 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 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, 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 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, Lawrence L. Roberts, as an individual and in my capacity as owner of Legends Agency, LLC, Respondents 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 both Legends Agency, LLC's and 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 and Legends Agency, LLC.

5/5/2020
Date
Lawrence L. Roberts
Lawrence L. Roberts, Respondent

3209 NE Huntington Ln Ankeny IA 50021
Address of Signatory

Subscribed and sworn before me by Lawrence L. Roberts on this 5 day of May, 2020.

Bethany Riedy
Notary Public for the State of Iowa

5/5/2020
Date
Lawrence L. Roberts
Legends Agency, LLC, Respondent
by Lawrence L. Roberts, Owner

3209 NE Huntington Ln Ankeny IA 50021
Address of Signatory

Subscribed and sworn before me by Lawrence L. Roberts on this 5 day of May, 2020.

Bethany Riedy
Notary Public for the State of Iowa

