



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF	)	Division Case No. 107604
	)	
TANYA SCHESSLER,	)	<b>ORDER AND CONSENT</b>
NPN 17526250,	)	<b>TO ORDER</b>
DOB 5/26/XXXX,	)	
	)	
Respondent.	)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by consent of Respondent Tanya Schettler, 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. Tanya Schettler (“Respondent”) is an individual with a last-known residence address of 10223 Thorne Drive West Des Moines, Iowa 50266.
3. Respondent was first licensed as a resident insurance producer in Iowa on March 9, 2015, and assigned National Producer Number 17526250.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.

**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 License ("Uniform Application"). In submitting the Uniform Application, Respondent designated the Commissioner as an agent for service of process.

6. RSJ, LLC, doing business as Fortress Insurance Services ("Fortress"), is a resident business entity producer in Iowa licensed under NPN number 13450391.

7. Respondent signed an agent agreement with Fortress on April 1, 2015.

8. Auto Owners Insurance Company ("Auto Owners") is an insurance company based in Lansing, Michigan.

9. Respondent was appointed as an agent for Auto Owners on April 14, 2015.

#### **Consumer EM**

10. JLLC is an Iowa business owned by EM. On or about August 2, 2019, JLLC bought a commercial property in Des Moines, Iowa.

11. Respondent and EM had a previous agent-client relationship, as Respondent had purchased commercial insurance previously for EM on his other business properties.

12. On or about August 8, 2019, Respondent met with EM at his office to get necessary information to submit a commercial insurance application to Auto Owners.

13. After Respondent obtained the necessary information from EM, she stopped at a business owned by EM's brother. Respondent met with EM's brother regarding a possible life insurance quote. Respondent and EM's brother did not have a previous client relationship.

14. Once Respondent was back at her office at Fortress she completed and submitted a digital application for JLLC using Auto Owner's digital platform.

15. The application submitted to Auto Owners was not signed by either EM or Respondent.

16. The application submitted by Respondent had multiple errors. Respondent listed the applicant as M&M Inc., which is EM's other business entity. Further, the mailing address



number listed for the applicant was 1902, the address of EM's brother's business. JLLC business' address number was 908. The email and phone number listed on the application also belonged to EM's brother.

17. On August 12, 2019, Auto Owners issued the commercial policy for EM's commercial building, with the incorrect applicant contact information on the policy.

18. On or about September 4, 2019, Respondent contacted Auto Owners to change the applicant business name from M&M Inc., to JLLC, but she did not change the incorrect address.

19. EM paid the yearly premium for the policy upfront to Respondent. EM never received a copy of the policy once it was issued. A copy was sent to the 1902 address and also to Fortress. Fortress was sent a copy of all correspondence issued by Auto Owners on the policy.

20. On July 22, 2020, Auto Owners mailed a cancellation notice to the 1902 address as well as to Fortress. The cancellation notice stated that if the annual premium was not paid by August 10, 2020, then the policy would cancel on August 10, 2020.

21. EM never received this notice of cancellation due to the incorrect address.

22. On August 7, 2020, Respondent sent a text message to EM telling him his Auto Owners policy was renewing that week and stated she would email him the policy and billing information.

23. Respondent then emailed the documents to an email address that EM no longer used or regularly checked, and EM never received the documents prior to the policy cancelling.

24. On August 10, 2020, the Auto Owners policy cancelled due to non-payment of premium.

25. On August 13, 2020, a fire occurred at the JLLC property insured under the Auto Owner's policy.

26. On August 14, 2020, EM had the property manager contact Respondent and report the fire to file an insurance claim.
27. Once Respondent was notified by EM about the claim, she discovered that the policy had been cancelled. Respondent also realized that the email she sent on August 7, 2020, went to the wrong email address and further noticed that the address on the policy was incorrect.
28. Respondent spoke with EM and told him the policy had been cancelled by mistake but that she would take care of things for him.
29. On August 17, 2020, Respondent spoke with the underwriting department for Auto Owners and told them that the policy had cancelled because the insured never received the renewal notices due to incorrect contact information on the policy.
30. Auto Owners underwriting instructed Respondent to collect the premium from the insured and get him to sign a Statement of No Loss in order to restore the policy.
31. Respondent did not tell the underwriting department of Auto Owners about the fire that had occurred or the claim that JLLC wanted to file.
32. On August 17, 2020, Respondent told EM that she was going to email him a document to sign so that the policy could be restored and the claim processed. Respondent did not tell EM what the purpose of the document was or what it said.
33. Respondent emailed the Statement of No Loss to EM on August 17, 2020. EM instructed one of his employees to sign the document on his behalf. A few minutes after the Statement of No Loss was sent, EM's employee applied EM's digital signature and emailed the document back to Respondent.
34. Respondent then forwarded this Statement of No Loss to Auto Owners' underwriting a few minutes later.



35. The policy was reinstated on August 17, 2020, and Respondent emailed EM telling him he was up and active again.
36. The time between when Respondent sent EM the Statement of No Loss document to the time it was signed and returned was approximately four minutes. EM later stated he did not read the document and instructed his employee to sign the document based on the trust he placed in the Respondent and the statements she had made to him that he just needed to sign the document to get the policy back in force.
37. On August 18, 2020, Respondent filed a claim for JLLC based on the fire that occurred on August 13, 2020. Respondent filed the claim with Auto Owners stating that the fire occurred on August 7, 2020.
38. On August 21, 2020, Respondent submitted a Change of Address request to Auto Owners underwriting department for JLLC from 1902 to 908. In the request Respondent stated, "We had incorrect mailing address. Correcting."
39. Auto Owners underwriting discovered this discrepancy and contacted Fortress to discuss the issue.
40. On August 21, 2020, Respondent emailed the owners of Fortress detailing her role in the matter. On August 23, 2020, Fortress terminated its contract with Respondent based on her actions and informed her that they would be reporting the incident to the Division. Fortress then reported the incident to the Division on August 24, 2020.
41. On August 26, 2020, Respondent submitted a written letter to the Division providing her explanation for what had occurred.
42. The Division then opened an investigation into this matter.

### **Division's Investigation**

43. Auto Owners opened an investigation in the claims submitted by Respondent on behalf of JLLC. Auto Owners initially determined that it would deny EM's claims (there was a second fire that occurred on the property) and rescind the policy based on EM's signing of the Statement of No Loss.

44. The Division determined that due to the errors by Respondent on the initial application, EM was never properly served with notice of cancellation. Once the Division was able to provide all of the facts of the investigation to Auto Owners, Auto Owners determined that since EM was never properly served the policy was not properly cancelled. Auto Owners decided to work with EM and his attorney to restore the policy and work through the claims process.

45. EM's property had two fires that caused a great deal of damage to the building. EM could not collect any rental income from his tenants due to the damage to the building. EM had to hire an attorney to represent him based on Auto Owners' initial investigation and decision to rescind the policy.

46. At the time that these events occurred, Respondent was affiliated with Fortress per contract and was covered under Fortress' errors and omissions policy.

47. Respondent cooperated with the Division in its investigation.

### **III. CONCLUSIONS OF LAW**

#### **COUNT I**

#### **Dishonest and Fraudulent Practices**

48. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty as provided in section 522B.17 for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence,

untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere pursuant to Iowa Code § 522B.11(h).

49. Respondent demonstrated incompetence by not completing the Auto Owners application with the correct client contact information. Further, Respondent demonstrated incompetence by not going through the digital application with the client and having him review and sign the application.

50. Respondent demonstrated incompetence when she realized the policy was going to cancel and then emailed the documents to the wrong email address on August 7, 2020.

51. Respondent engaged in dishonest practices when she told EM she was sending him a document to sign to reinstate the policy, knowing at the time that the document she was sending was a Statement of No Loss and that a loss had actually occurred.

52. Respondent engaged in fraudulent practices when she submitted the Statement of No Loss to Auto Owners knowing that a loss had actually occurred.

53. Respondent engaged in fraudulent practices when she submitted a claim for JLLC to Auto Owners stating that the loss had occurred on August 7, 2020, knowing the loss had occurred on August 13, 2020.

54. Respondent's acts and practices are in violation of Iowa Code § 522B.11(h), subjecting Respondent to suspension or revocation of Respondent's insurance producer license, to the imposition of a civil penalty, an order requiring Respondent to cease and desist from engaging in such practices, the imposition of costs of the investigation, pursuant to Iowa Code §§ 522B.17 and 505.8.



#### IV. ORDER

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

- A. Respondent's Iowa resident insurance producer license is suspended for a term of 6 months pursuant to Iowa Code §§ 522B.11 and 522B.17.
- B. Respondent, pursuant to Iowa Code §§ 507B.7 and 522B shall immediately cease and desist from engaging in the business of insurance in the state of Iowa.
- C. Respondent shall, within 30 days of this Order, pay a civil penalty in the amount of \$1,000.00. 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 pursuant to Iowa Code §§ 505.8, 507B.7.
- D. Respondent shall, within 30 days of this Order, pay the amount of \$ 4,615.00, for costs of investigation and prosecution 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.
- E. 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 23rd day of February, 2021.



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DOUGLAS M. OMMEN  
Iowa Insurance Commissioner



Respectfully submitted,

/s/ Adam J. Kenworthy  
Adam J. Kenworthy  
Compliance Attorney  
1963 Bell Avenue, Suite 100  
Des Moines, Iowa 50315  
515-654-6562  
Attorney for Iowa Insurance Division

Email copy to:

John Hintze  
jhintze@ahlerslaw.com  
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 23, 2021.

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 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, 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, Tanya Schettler, have read, understood, and do knowingly consent to this Order in its entirety. By executing this Consent Order, 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: 2/14/21

Tanya Schettler  
Tanya Schettler, Respondent

10223 Thorne Rd, West Des Moines, IA  
Address of Signatory

Subscribed and sworn before me by Tanya Schettler on this 16<sup>th</sup> day of Feb.,  
2021.

Brandi Long  
Notary Public for the State of Iowa

