



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 107553
)	
OSCAR SANCHEZ,)	ORDER AND
NPN 15741936,)	CONSENT TO ORDER
DOB: 5/5/XXXX)	
Respondent.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by consent of Respondent Oscar Sanchez, and pursuant to the provisions of Iowa Code chapters 507B—Unfair Trade Practices and 522B and 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, Doug M. Ommen, administers Iowa Code chapters 507B—Unfair Trade Practices and 522B—Licensing of Insurance Producers. The Division has the authority to issue emergency adjudicative orders pursuant to Iowa Administrative Code r. 191–3.31. The Commissioner has designated the Iowa Insurance Division to seek enforcement of these provisions.
2. Oscar Sanchez, (“Respondent”), is an individual with a last-known residence address of 6950 Stagecoach Drive, Unit 1108, West Des Moines, Iowa 50266.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since March 5, 2015. He is licensed under National Producer Number 15741936.
4. Pursuant to Iowa Code § 05.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.
5. Respondent knowingly and voluntarily enters into this Order. Respondent neither admits nor denies the findings of fact and conclusions of law found herein.

II. FINDINGS OF FACT

6. On April 5, 2021, The Commissioner issued an Emergency Adjudicative Order (“Emergency Order”) in the above-captioned matter, suspending Respondent’s Iowa resident insurance producer license pending a hearing set for April 27, 2021.
7. The parties have now reached an agreement in this matter and offer this Consent Order as final settlement of the issues contained herein.
8. Respondent knowingly and voluntarily enters into the terms of this Consent Order. Respondent neither admits nor denies paragraphs 10–44.
9. 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.
10. On September 22, 2020, the Marshalltown Police Department filed a criminal complaint against the Respondent for Theft in the 3rd Degree.
11. On November 6, 2020, the Marshall County Attorney’s Office filed a Trial Information in criminal case number AGCR097716 in the Iowa District Court for Marshall County, charging Respondent with Theft in the 3rd Degree, an aggravated misdemeanor.
12. On November 30, 2020, the Marshall County Attorney’s Office filed a Trial Information in criminal case number FECR097824 in the Iowa District Court for Marshall County, charging the Respondent with two counts: Count 1, Ongoing Criminal Conduct, a class “B” felony, and Count 2, Theft in the 2nd Degree, a class “D” felony.
13. Trial in case FECR097824 is currently set for April 27, 2021, and trial in AGCR097716 is currently set for May 20, 2021.

14. The criminal charges in Marshall County stem from acts committed by Respondent acting in his capacity as a licensed insurance producer in the state of Iowa. It is alleged that Respondent requested and collected cash payments from consumers, telling the consumers that the cash payments were for payment of their insurance premiums. It is further alleged that Respondent received cash payments from insurance consumers knowing the payments received were not for payment of premium but were collected for Respondent's personal use.

15. Respondent has been out on bond pending the resolution of his criminal charges.

16. The Market Regulation Bureau of the Division has been conducting an ongoing investigation into multiple alleged violations of law by Respondent since approximately September 2020.

17. A Division investigator requested an interview with Respondent scheduled for October 13, 2020. On the date of the interview, the Division was advised by Respondent's attorney that Respondent would not be speaking with the Division and would not agree to be interviewed.

Consumer LGV

18. LGV previously purchased his homeowners insurance with State Auto Insurance Company ("State Auto") through Respondent.

19. In August of 2020, LGV's home was damaged by the Derecho that struck Iowa. He then filed a homeowner's claim with State Auto.

20. Respondent requested that State Auto direct claims payments for LGV into a Veridian Credit Union account ("Veridian") ending in 4906.

21. The Veridian account did not belong to LGV but was Respondent's personal checking account.

22. State Auto deposited three separate claims payments into the Veridian account: \$9,725.54 and \$81.32 on September 9, 2020, and \$2,713.66 on February 9, 2021.

23. LGV did not authorize Respondent to receive his claims payments or instruct Respondent to have the payments sent to Respondent's bank account.

24. In approximately December of 2020, Respondent met with LGV in person and paid him \$ 9,725.54 in cash.

25. Respondent never informed LGV that a third claim payment was made in February 2021. The \$2,713.66, was deposited into Respondent's bank account. Respondent's bank records show that Respondent spent the client money at gas stations, retail stores, and on his monthly car payment.

Consumer BCC

26. BCC is a commercial cleaning business based in Des Moines, Iowa. BCC is an insurance client of Respondent.

27. On February 16, 2021, Respondent issued a Certificate of Liability Insurance ("COL") for BCC stating that BCC held five separate types of business insurance coverage through "Hiscox Small Business Insurance," and "Progressive Insurance."

28. Hiscox Insurance Company Inc., ("Hiscox") is the company Respondent is presumably referring to on the COL. Respondent stated that Hiscox provided three separate types of business insurance on the COL: Commercial General Liability, Umbrella Liability and Workers Compensation and Employers Liability. The Respondent listed the same policy number for each of the three separate coverages.

29. Hiscox stated that the policy number listed on the COL is not a valid or recognizable policy number with their company. Hiscox had no record of BCC holding any policies with the

company. Hiscox further stated that unlike what is claimed by Respondent on the COL, they do not write workers compensation insurance in any state.

30. Respondent attributed two separate types of liability coverage to Progressive Insurance (“Progressive”) on the COL using the same policy number. Progressive confirmed that the policy listed on the COL was a policy with Progressive for commercial liability coverage, however the policy went out of force on September 20, 2020. Progressive also stated that at no time did the out of force policy provide coverage for rented and leased equipment as stated by the Respondent on the COL.

III. VIOLATIONS OF LAW

COUNT I

Unfair or Deceptive Acts and Practices

31. Iowa Code § 507B.3 provides:

A person shall not engage in this state in any trade practice which is defined in this chapter as, or 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.

32. Respondent is currently facing multiple felony criminal charges based on acts of deception and theft. Respondent is accused of using his position as an insurance producer to solicit and receive direct cash payments from insurance clients to be used for his own personal gain.

33. The Respondent has been charged in two separate cases by Trial Information in Marshall County, Iowa. Each Trial Information has been sworn to and filed by the Marshall County Attorney’s Office and accepted and filed by the District Court of Marshall County.

34. Iowa Rule of Criminal Procedure 2.5(4) states that:

Prior to the filing of the information, it must be approved by a district judge, or a district associate judge or judicial magistrate having jurisdiction of the offense. If the judge or

magistrate finds that the evidence contained in the information and the minutes of evidence, if unexplained, would warrant a conviction by the trial jury, the judge or magistrate shall approve the information which shall be promptly filed. If not approved, the charge may be presented to the grand jury for consideration. At any time after judicial approval of an information, and prior to the commencement of trial, the court, on its own motion, may order the information set aside and the case submitted to the grand jury.

35. In criminal case number FECR097824 and AGCR097824, the District Court has approved and certified each Trial Information.

36. Respondent, in September 2020, and again in February 2021, did misappropriate client funds, meant for LGV, for his own personal use.

37. On February 16, 2021, Respondent knowingly created and issued a false Certificate of Liability for BCC. Respondent knew that the policies listed on the COL were either out of force or did not exist.

38. Respondent, while facing serious criminal charges, has continued to use deceptive acts and practices in the business of insurance to the detriment of Iowa consumers.

39. Respondent's acts and practices are in violation of Iowa Code § 507B.3, 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 §§ 507B.7 and 505.8

COUNT II
Fraudulent and Dishonest Practices

40. Iowa Code § 522B.11(1)(h), provides that an insurance producer's license can be suspended or revoked for:

Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

41. Respondent committed fraud by having State Auto deposit LGV's claim payments into Respondent's personal bank account without the authorization or knowledge of LGV.
42. Respondent demonstrated dishonest practices by using the claim funds meant for LGV for Respondent's own personal use.
43. Respondent demonstrated dishonest practices by issuing a false COL to BCC.
44. 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.

V. 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 revoked 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 not communicate, directly or indirectly, with any former insurance clients regarding the business of insurance unless done so through Respondent's counsel.
- D. 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).

IT IS THEREFORE ORDERED that the emergency adjudicative order issued in this matter on April 5, 2021, is vacated and replaced with this Order and Consent to Order.

SO ORDERED on the 22nd day of April, 2021.



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:

Barry Kaplan
barry@kaplanfrese.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 April 22, 2021.

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

Signature: 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 OF FINAL ORDER IMPACT

A final order of license 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,

NOTICE REGARDING REISSUANCE

Upon entry of this Order, your insurance producer license will become inactive due to suspension or 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 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. See Iowa Administrative Code rule 191—10.10.

CONSENT TO ORDER AND AGREEMENT

I, Oscar Sanchez, have read, understood, and do knowingly consent to this Order in its entirety. I understand that I have the right to legal counsel in this matter.

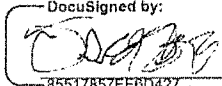
I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be 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.

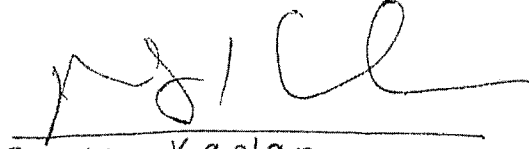
By executing this Consent Order, I understand that I am knowingly and affirmatively waiving my rights to a contested case hearing pursuant to Iowa Code § 17A, to confront and cross-examine witnesses, to produce evidence, and to judicial review of this matter.

By affixing my signature below I acknowledge and affirm that I have reviewed the full terms and conditions of this Consent Order and do voluntarily enter into this Consent Order:

**

Dated: 4/22/2021

DocuSigned by:

85517857FEB0427
Oscar Sanchez, Respondent


Barry Kaplan
Attorney for Respondent

307 Cherokee Road
Lexington, NE 68850
Address of Signatory

** - Please note I am not admitting to any of these allegations by signing this consent.