

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 110432
)	
KATINA L. PARRISH,)	ORDER AND
NPN 16450314,)	CONSENT TO ORDER
DOB 12/12/XXXX)	
)	
)	
Respondent.)	

NOW THEREFORE, the Iowa Insurance Division (“Division”) and by consent of Respondent Katina L. Parrish, pursuant to the provisions of Iowa Code chapter 507A—Iowa Unauthorized Insurers Act, Iowa Code chapter 507B—Insurance Trade Practices, and Iowa Code chapter 522B—Licensing of Insurance Producers, the Commissioner enters the following Order and Consent to Order:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas Ommen, directly and through his designees, administers and enforces Iowa Code chapter 507A— Iowa Unauthorized Insurers Act, Iowa Code chapter 507B—Insurance Trade Practices, and Iowa Code chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.

2. Katina L. Parrish (“Parrish”) is an individual with a last-known residence address of 413 SW Maplewood Drive, Grimes, Iowa 50111.

3. Parrish became licensed in the state of Iowa as a resident insurance producer on November 2, 2011. Her license was suspended on December 11, 2019, and her license expired on December 31, 2020, while still on suspended status. She was licensed under National Producer Number 16450314.

4. From on or about December 11, 2019, to April 10, 2021, Parrish engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of her insurance producer license; cease and desist orders; civil penalties, and other relief under Iowa Code chapters 507A, 507B, and 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

5. Parrish applied for a resident insurance producer license with the Division by submitting the Iowa Uniform Application for Individual License (“Uniform Application”). In submitting the Uniform Application, Parrish designated the Commissioner as an agent for service of process.

6. The Division issued Parrish a license as an insurance producer on November 2, 2011, and assigned her National Producer Number 16450314.

7. Parrish was appointed as an independent producer with American Family Life Assurance Company of Columbus (“AFLAC”) until her appointment was terminated on February 12, 2020.

Parrish’s License Suspension

8. On October 1, 2019, the Division mailed Parrish a notice advising her that the Division received a Certificate of Noncompliance from the Iowa Department of Revenue (“Revenue”) and that Parrish’s insurance producer license would be suspended in 60 days, pursuant to Iowa Code § 272D.8 and Iowa Administrative Code rule 191—10.23, unless Revenue withdrew the Certificate of Noncompliance prior to that time.

9. This notice was sent to Parrish’s residence address by first class mail and restricted certified mail.

10. The notice was delivered and signed for by Parrish on October 10, 2019.

11. On December 11, 2019, the Commissioner entered an order immediately suspending Parrish's insurance producer license, effective immediately, and ordered that Parrish not be eligible for license reinstatement, reissuance, or renewal until Revenue issued a withdrawal, Parrish applied for reinstatement or reissuance, paid all applicable fees, and complied with other insurance statutes and regulations.

12. On December 11, 2019, the suspension order was mailed to Parrish's residence address of record and emailed to the email address noted in her licensing record, katina_parrish@us.aflac.com.

13. This mailing was not returned to the Division nor did the Division receive a delivery failure notification for the email.

14. On or about June 3, 2021, during an interview with a Division complaint analyst, Parrish confirmed that the residence address and email used to mail the suspension order were valid addresses for her at that time.

15. On December 31, 2020, Parrish's producer license expired while she was still suspended.

16. Parrish has not submitted an application for reinstatement or reissuance of her license.

Activity While Suspended

17. From on or about December 18, 2019, until February 4, 2020, Parrish was the agent of record and submitted 26 insurance applications to AFLAC while her license was suspended.

18. Parrish received \$3,595.30 in commission payments in connection with the 26 applications.

19. AFLAC terminated Parrish's appointment on February 12, 2020, due to the Division's suspension of Parrish's producer license.

20. On March 15, 2020, Parrish filed an application for Pandemic Unemployment Assistance ("PUA") with Iowa Workforce Development ("IWD").

21. Parrish submitted documents stating that the basis for PUA was the loss of her sales job, selling insurance policies for AFLAC, and that she was displaced from this job due to COVID. However, Parrish's insurance producer license had been suspended since December 2019, and her disruption in income was unrelated to COVID.

22. On April 29, 2021, IWD determined that Parrish was ineligible to receive PUA, because Parrish "misrepresented that your Primary Employment/Source of Income was directly affected by COVID-19 but was not the case since the loss of your Primary Employment/Source of Income occurred prior to COVID-19 due to an unrelated COVID-19 reason."

23. As a result of her misrepresentations, Parrish received \$39,236 in PUA benefits for which she was not entitled.

24. Parrish did not appeal IWD's determination within the time period to appeal. Therefore, the IWD's decision became final within 10 days.

III. CONCLUSIONS OF LAW

COUNT ONE

Engaging in Insurance Business While Suspended

25. Iowa Code § 522B.2 provides that "[a] person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed as an insurance producer for that line of insurance as provided in this chapter."

26. Under Iowa Code § 522B.17, an insurance producer may be ordered to cease and desist and may be assessed a civil penalty pursuant to chapters 507B and 507A if found to have violated chapter 522B.

27. Iowa Code § 507A.5(1) provides that a person shall not directly or indirectly perform any act of doing an insurance business except as provided by and in accordance with the specific authorization by statute.

28. Under Iowa Code § 507A.3(1), “doing an insurance business” includes, but is not limited to the following: the taking or receiving of insurance applications; delivery of contracts of insurance to residents of this state; any kind of insurance business recognized as constituting the doing of an insurance business; and doing any insurance business in a manner designed to evade the provisions of the insurance laws of this state.

29. Parrish was the agent of record on 26 applications for insurance and submitted these applications to AFLAC while her insurance producer license was suspended.

30. Parrish violated Iowa Code §§ 522B.2 and 507A.5(1) by selling, soliciting, or negotiating insurance while her insurance producer license was suspended.

31. Under 522B.11(5), any penalty or remedy authorized by this chapter and chapter 507B may be imposed against any person who violates either chapter even if the person’s license has been surrendered or has lapsed by operation of law.

32. Parrish’s acts and practices have been in violation of Iowa Code §§ 522B.2 and 507A.5 subjecting Parrish to probation, suspension, or revocation of her insurance producer license, the imposition of a civil penalty, an order requiring Parrish to cease and desist from engaging in such acts or practices, an order of restitution, 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.2, 522B.17, 507B.7, 507A.10, and 505.8.

COUNT TWO

Engaging in Dishonest Practices and Demonstrating Untrustworthiness

33. 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, untrustworthiness, or financial irresponsibility in the conduct of business.

34. Iowa Code § 507B.3 prohibits a person from engaging in any practice which is defined as, or determined pursuant to 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.

35. Acts and practices enumerated as disqualifying conduct in Iowa Code § 522B.11(1)(h) violate public policy are likely to cause substantial harm to consumers and constitute an unfair or deceptive act or practice in violation of Iowa Code § 507B.3. *In the Matter of Dean*, No. 102164, 2019 WL 6245296 (Iowa Ins. Div., November, 5, 2019).

36. Parrish used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she held herself out as a licensed insurance producer authorized to sell insurance even though her license was suspended.

37. Parrish used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she misrepresented that she was displaced from her job with AFLAC due to COVID even though her license was suspended in 2019, and her termination from AFLAC was not directly related to COVID. These misrepresentations enabled Parrish to obtain nearly \$40,000 in PUA benefits.

38. This conduct also constitutes an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.

39. Under 522B.11(5), any penalty or remedy authorized by this chapter and chapter 507B may be imposed against any person who violates either chapter even if the person's license has been surrendered or has lapsed by operation of law.

40. Parrish's acts and practices have been in violation of Iowa Code §§ 522B.11(1)(h) and 507B.3 subjecting Parrish to probation, suspension, or revocation of Parrish's insurance producer license, the imposition of a civil penalty, an order requiring Parrish to cease and desist from engaging in such acts or practices, an order of restitution, 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.

IV. ORDER

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

- A. Parrish's Iowa resident insurance producer license is revoked and Parrish is prohibited from engaging in the business of insurance in this state pursuant to Iowa Code §§ 507A.10, 507B.7, 522B.11, and 522B.17;
- B. Parrish shall, contemporaneously with this Order, pay a civil penalty in the amount of \$2,600.00 pursuant to Iowa Code §§ 507A.10, 507B.7, and 522B.17. 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; and

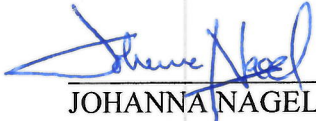
- C. Parrish shall, contemporaneously with this Order, pay the amount of \$500.00 for costs of investigation and prosecution pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund to provide funds for insurance enforcement and education.
- D. These orders may be enforced under Iowa Code chapters 505, 507A, 507B, 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 18th day of August, 2021.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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Iowa Insurance Division
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Des Moines, Iowa 50315
(515) 654-6563
johanna.nagel@iid.iowa.gov
Attorney for the Iowa Insurance Division

Copy to:
Katina Parrish
413 SW Maplewood Dr.
Grimes, Iowa 50111

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 August 18, 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.

YOU ARE NOTIFIED that any person who violates this order may be subject to administrative and civil penalties pursuant to Iowa Code § 502.604. 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 the person 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 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, 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.

Any person prohibited by 18 U.S.C. § 1033 from engaging or participating in the business of insurance will need to apply to the Commissioner for consent to engage in insurance pursuant to Iowa Code § 522B.16B.

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/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.

RECEIVED

AUG 17 2021

COMMISSIONER OF INSURANCE
INSURANCE DIVISION OF IOWA

CONSENT TO ORDER AND AGREEMENT

I, Katina L. Parrish, 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.

8/13/2021
Date

Katina L. Parrish
Katina L. Parrish, Respondent

413 SW Maplewood DR Grimes IA 50111
Address of Signatory

Subscribed and sworn before me by Katina L. Parrish on this 13 day of August, 2021.

Heidi Hyde
Notary Public for the State of Iowa

