

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF  
MATTHEW A. DODGE,  
NPN 242037,  
DOB 12/22/XXXX,

and

MATT DODGE AGENCY, INC.,  
NPN 10322884,  
BEP 1002016064,

Respondents.

Division Case No. 106968

**ORDER AND  
CONSENT TO ORDER**

**NOW THEREFORE**, the Iowa Insurance Division (“Division”) and by consent of Respondents Matthew Dodge and Matt Dodge Agency, Inc., pursuant to the provisions of Iowa Code chapter 522B—Licensing of Insurance Producers, the parties enter into the following Order and Consent to Order (“Consent Order”):

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Douglas Ommen, directly and through his designees, administers and enforces Iowa Code chapter 522B—Licensing of Insurance Producers, pursuant to Iowa Code § 505.8.
2. Matthew A. Dodge (“Dodge”) is an individual with a last-known residence address of 1000 Briarstone Drive, Mason City, Iowa 50401.
3. Dodge is and has been licensed in the state of Iowa as a resident insurance producer since February 22, 1994. He is licensed under National Producer Number 242037.
4. Matt Dodge Agency, Inc., (“MDA”) is a business entity producer with a last-known business address of 19 ½ 2<sup>nd</sup> Street NE, Mason City, Iowa 50401.

5. MDA is and has been licensed in the state of Iowa as a resident business entity producer since February 19, 2008. MDA is licensed under National Producer Number 10322884, with a Business Entity Producer Number of 1002016064. Matthew Dodge is the designated responsible licensed producer (“DRLP”) for MDA.

6. Pursuant to Iowa Code § 505.28, Dodge and MDA (hereinafter “Respondents”) have consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.

7. Respondents neither admit nor deny the following Findings of Fact and Conclusions of Law as stated herein, but agree and consent to be bound by the terms and conditions contained in this Consent Order.

## **II. FINDINGS OF FACT**

8. From on or about September 2015 to present, Respondents engaged in acts and practices within the state of Iowa constituting cause for the possibility of probation, suspension, or revocation of their insurance producer licenses; cease and desist orders; restitution; and civil penalties or other relief under Iowa Code chapters 505, 507B, 522B, and rules adopted pursuant to these chapters.

9. Dodge applied for a resident insurance producer license with the Division and the Division issued Dodge a license as an insurance producer on February 22, 1994, and assigned to him National Producer Number 242037.

10. Dodge renewed his resident insurance producer license with the Division on December 11, 2019, by submitting an application for renewal through the National Insurance Producer Registry (“NIPR”). In this renewal application, Dodge designated the Commissioner as an agent for service of process.

11. MDA applied for a business entity producer license with the Division by submitting a Uniform Application for Business Entity Producer License (“Uniform Application”) through NIPR. In submitting the Uniform Application, MDA designated the Commissioner as an agent for service of process.

12. Dodge is a captive agent for American Family Mutual Insurance Company (“Amfam”). Dodge was appointed with Amfam on March 18, 1994.

13. Dodge is the owner and DRLP for MDA.

14. On July 5, 2019, the Division received a complaint against Respondents and opened an investigation. The complainant also filed a complaint against Respondents with Amfam.

#### Business J Commercial Policies

15. JG and MG, the (“Gs”) are clients of Respondents. The Gs operate a lawn care business (“Business J”) in Mason City, Iowa. The Gs have home, auto, and life insurance policies through Respondents. The Gs purchased general liability and workers’ compensation insurance for Business J through Respondents, as well as commercial insurance for a rental property they own.

16. Amfam policy 14xxxx4004 (“Policy 4004”) was a contractor package commercial insurance policy (“CPP”) for Business J effective September 23, 2011. MDA was listed as the agent on the policy. The policy was cancelled effective September 23, 2015, for failure to respond to an audit by Amfam.

17. Prior to that, on June 22, 2015, Amfam notified JG by letter that due to issues discovered during an audit of the policy, Amfam would no longer be able to provide coverage on Policy 4004, and that coverage would end on September 23, 2015. MDA was cc’d on the letter.

18. Amfam policy 14xxxx4090 (“Policy 4090”) was a workers’ compensation policy effective April 13, 2005. MDA was listed as the agent on the policy. The policy was cancelled

effective April 13, 2014, due to failure to respond to an audit by Amfam. The policy was eventually reissued under a new policy number, Amfam policy 14xxxx4091 ("Policy 4091"). Policy 4091 was cancelled effective April 13, 2016, due to failure to respond to an audit by Amfam.

19. Prior to that, on January 6, 2016, Amfam notified JG by letter that due to noncompliance with requests for audit information, Amfam would not renew Policy 4091, and that coverage would end on April 13, 2016. MDA was cc'd on the letter.

20. Amfam policy GLxxxx3984 ("Policy 3984") is a general liability policy issued to Business J effective August 22, 2019.

21. American Zurich issued a workers' compensation policy ending in 2119, to JG effective August 28, 2019, listing Dodge as the agent.

22. From September 23, 2015, until August 22, 2019, Business J did not have any active commercial liability insurance.

23. From April 13, 2016, until August 28, 2019, Business J did not have any active workers' compensation insurance.

24. From on or about September 16, 2015, to December 3, 2018, multiple Certificates of Liability Insurance ("COLs") were issued by MDA for Business J, stating that Business J had active commercial and workers' compensation insurance coverage even though the policies had been cancelled.

25. COLs for September 16, 2015, and November 16, 2015, were signed in ink by Dodge as the authorized representative.

26. Dodge told Division investigators that he was unaware that Business J did not have active commercial liability coverage or workers' compensation coverage from September 2015 to

August 2019. Dodge maintained that staff in his office would have filled out the COLs based on the APEX system used at MDA, and that the APEX system would have shown that Business J had no active coverage. Dodge maintained throughout the investigation that he never knowingly created or issued any false COL documents.

27. Dodge had serious and continuing medical issues from 2014 through 2019, which he stated required him to be out of the office for extended periods of time.

28. Former staff agents of MDA were interviewed by the Division and stated that Dodge was aware that the Gs did not have proper commercial or workers' compensation coverage for Business J. The former agents stated that they were instructed by Dodge that only he would handle the Gs' accounts.

29. In 2019, Respondents worked with the Gs to get them active commercial and workers' compensation coverage.

30. On September 11, 2019, Amfam issued a Compliance Investigation Report ("CIR") related to its' investigation into the allegations made in the complaint it received against Respondents. Amfam found that a COL was issued by MDA to the Gs and that the COL contained incorrect information.

31. On October 23, 2019, Dodge signed an agreement with Amfam stating that for his performance to be considered satisfactory moving forward he would need to follow Amfam's policies for issuing COLs.

32. Respondents stated to the Division that since approximately the fourth quarter of 2019, Respondents have established a new procedure for the issuance of all COLs. COLs may only be issued by Dodge and DF, an agent of MDA who is also a licensed producer. Before a COL is issued, Dodge or DF confirm the existence of active insurance coverage matching the

information for the COL and save a contemporaneous record showing such coverage via saved screenshot or printout. Dodge or DF then provide the proposed COL to the other to perform an independent confirmation that the proposed COL is correct. Only after both Dodge and DF have reviewed and confirmed the proposed COL do Dodge or DF sign the COL in blue ink.

### III. CONCLUSIONS OF LAW

#### COUNT I

#### **Using Fraudulent, Coercive, or Dishonest Practices or Demonstrating Incompetence or Untrustworthiness**

33. Iowa Code § 522B.11(h) states:

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 any one or more of the following causes:

...

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

34. Iowa Code § 522B.5(2)(b) requires that a business entity producer designate a licensed producer (“DRLP”) to be responsible for the business entity’s compliance with the insurance laws and rules of the state of Iowa.

35. Iowa Administrative Code rule 191–10.18(2)(a)(2) states that the designated producer for a business entity, “will have full responsibility for the conduct of all business transactions of the business entity or of producers affiliated with the business entity[.]”

36. Dodge is the owner and DRLP for MDA.

37. Dodge failed to exercise an insurance producer’s general duty of reasonable care, diligence and judgment by stating that he was unaware that Business J’s policies had expired

until he was notified by a complaint filed in 2019. The policies had been out of force for approximately four years.

38. Dodge failed to exercise his proper duty of care as DRLP by putting in place procedures to help ensure that improper COLs were not issued by MDA. Dodge experienced serious health issues during this time period, however, he was still responsible for all business transactions of MDA and its producers and did not have proper oversight of MDA's activities.

39. Respondents' acts and practices demonstrated a lack of competence in the business of insurance.

40. Respondents' acts and practices have been in violation of Iowa Code § 522B.11, subjecting Respondents to corrective action 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. Respondents, pursuant to Iowa Code §§ 507B.7 and 522B.17, shall cease and desist from issuing any COL documents that have not been verified to be true and accurate by Respondents pursuant to the process stated in paragraph 32 of this Order;
- B. Further, Respondents shall be required to provide the Division the following information subject to following terms:
  - a. Copies of all COL documents issued by Respondents during the preceding month of the reporting deadline as stated in subparagraph "c" of this Order;
  - b. A sworn declaration by Dodge that all information contained within the submitted COLs is true and correct and that Dodge declares to the Division

that MDA has followed its internal procedures as stated in paragraph 32 of this Order;

- c. Respondents shall provide the required information to the Division by the 7<sup>th</sup> day of each month. Respondents' first reporting deadline shall begin on November 7, 2021, and Respondents' final reporting deadline shall be April 7, 2022. If the 7th day of any month within this reporting period falls on a weekend or holiday, Respondents shall have until the first business day following in which to provide the Division the required information;
  - d. If no COLs were issued during the preceding month in which Respondents are to report, Respondents shall still provide the Division a sworn declaration stating that no COLs were issued by Respondents for said time period;
  - e. Respondents shall cooperate with the Division in fulfilling any reasonable request by the Division to ensure compliance with the terms of this Order;
  - f. Failure by Respondents comply with this Order and to provide the requested information with the Division in a timely manner may subject Respondents to possible license discipline, civil penalties or other corrective action by the Commissioner pursuant to Iowa Code § 507B.7.
- C. Respondents are jointly and severally liable and shall, within 30 days of this Order, pay a civil penalty in the amount of \$2,500.00. 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;



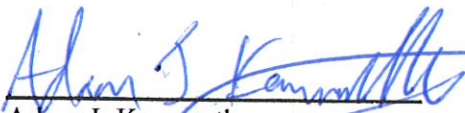
- D. Respondents are jointly and severally liable and shall, within 30 days of this Order, pay the amount of \$5,000.00 for costs of investigation and prosecution pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund to provide funds for insurance enforcement and education; and
- E. These orders may be enforced under Iowa Code chapters 502, 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 5<sup>th</sup> day of October, 2021.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,



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

**Copy by email to:**  
Michael Neuerburg  
Simmons Perrine Moyer Bergman PLC  
[mneuerburg@spmbllaw.com](mailto:mneuerburg@spmbllaw.com)  
**ATTORNEY 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 October 6, 2021.

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

Signature: *Melany Foster*

**NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER**

**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 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.

**CONSENT TO ORDER AND AGREEMENT**

I, Matthew Dodge, Respondent, and acting as owner and agent for Respondent Matt Dodge Agency, Inc., 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.

9/30/21  
Date

Matthew Dodge  
Matthew Dodge, Respondent

1000 Brizstone Mason City IA  
Address of Signatory

Matt Dodge  
Matt Dodge Agency, Inc., Respondent  
Name: Matt Dodge  
Title: president

19 1/2 2nd st NE Mason City, IA  
Address of Signatory

Subscribed and sworn before me by Matthew Dodge on this 30<sup>th</sup> day of September, 2021.

Tomie Jo Miller  
Notary Public for the State of Iowa

