

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 113479
)	
FRANK P. TARASI,)	ORDER AND
NPN 15884821,)	CONSENT TO ORDER
DOB 05/03/XXXX,)	
)	
Respondent.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent, Frank P. Tarasi, 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 Ommen, directly and through his designees, administers and enforces Iowa Code chapter 522B—Licensing of Insurance Producers, pursuant to Iowa Code § 505.8.
2. Frank P. Tarasi (“Respondent”) is an individual with a last-known residence address of 2917 Caspian Road, Hiawatha, Iowa 52233.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since August 13, 2010. He is licensed under National Producer Number 15884821.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.
5. From on or about October 2021 to January 2022, Respondent 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; restitution; and civil penalties or other relief under Iowa Code chapters 505, 507B, 522B, and rules adopted pursuant to these chapters

II. FINDINGS OF FACT

6. Respondent applied for a resident insurance producer license with the Division on August 13, 2010, by submitting an application through the National Insurance Producer Registry (“NIPR”). In his application, Respondent designated the Commissioner as an agent for service of process.

7. Respondent works as a producer for the Daley Insurance Agency (“Daley Insurance”) in Cedar Rapids, Iowa.

8. On February 1, 2022, Encova Insurance (“Encova”) notified the Division that it had terminated the Respondent’s appointment with the company for cause on January 12, 2022. Encova provided the Division an overview of its internal investigation that led to the termination for cause of Respondent, along with documents Encova had used in its investigation.

Division’s Investigation

9. In approximately October of 2021, one of Respondent’s current commercial clients, D.C., a resident of Illinois, wanted to purchase a life insurance policy from Respondent. D.C. needed the life insurance policy as collateral for a bank in Illinois that was providing D.C. a loan to purchase a business.

10. Respondent met with D.C. and completed a paper life insurance application, but once back at his office. Respondent forgot to submit the application to Encova.

11. At the beginning of December 2021, First Mid Bank and Trust (“FMBT”), D.C.’s lender, emailed Respondent requesting a status update on the life insurance policy for D.C. Respondent told FMBT that the policy was with underwriting. When FMBT requested that Respondent provide something in writing to confirm, Respondent created fictitious documents to make it look like D.C. had an active life policy and sent those documents to FMBT.

12. In January 2022, FMBT requested that Respondent send them a copy of the actual life insurance policy for D.C. In response, Respondent used an existing life policy of another client to create a fictitious life insurance policy for D.C. and sent this to FMBT.
13. FMBT then contacted Encova to verify the life insurance policy information on D.C., and learned that Encova did not have any life insurance policy for D.C.
14. In his interview with Encova's SIU, Respondent admitted that he had forgotten to submit D.C.'s application and then tried to cover up his mistake by creating false documents to provide to FMBT.
15. Encova terminated its appointment with Respondent and notified Daley Insurance about what had occurred.
16. On February 2, 2022, the Division received a typed letter from Respondent explaining what had occurred with D.C.'s policy and admitting to the improper actions he had taken.
17. On March 1, 2022, the Division conducted a recorded interview with the Respondent. In his interview with the Division, Respondent admitted to forgetting to submit D.C.'s application and then trying to cover up his mistake by making false statements and creating fictitious documents.
18. Daley Insurance and Encova are currently working to get D.C.'s life policy in place and backdated to make up for Respondent's actions.
19. The consumer did not pay any premium based on Respondent's actions. Respondent did not receive any commissions or fees from D.C. or Encova.
20. Respondent cooperated in the Division's investigation.

III. CONCLUSIONS OF LAW

COUNT I

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

21. Under Iowa Code § 522B.11(1)(h), a producer is prohibited from using fraudulent, coercive, or dishonest practices or demonstrating untrustworthiness or incompetence in the conduct of business.
22. Respondent demonstrated incompetence when he had D.C. sign an incomplete insurance application and then intended to complete the application and submit it without D.C. going through the application to verify all of the information was true and accurate.
23. Respondent demonstrated incompetence when he forgot about D.C.'s life insurance application and did not submit it to the company. When he realized his mistake, Respondent demonstrated dishonest practices and or untrustworthiness when he made excuses and untrue statements to FMBT.
24. When FMBT requested documentation from Respondent, Respondent demonstrated fraudulent and dishonest practices and or untrustworthiness when he again failed to come forward and admit his mistake and instead created fictitious insurance documents to cover up his error and sent these fictitious documents to FMBT.
25. When initially confronted by Encova about the issues relating to D.C.'s policy, Respondent demonstrated untrustworthiness when failed to admit what he had done and provided false statements to Encova.
26. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to probation, suspension, or revocation of Respondent's insurance producer license; the imposition of a civil penalty, and an order requiring Respondent 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, 522.B17, and 505.8.

IV. ORDER

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

- A. Respondent's Iowa resident insurance producer license is suspended for a term of 90 days pursuant to Iowa Code §§ 522B.11 and 522B.17;
- B. Respondent is prohibited from selling, soliciting, or negotiating insurance in this state or offering to the public advice, counsel, or services with regard to insurance until and unless licensed by the Division, pursuant to Iowa Code §§ 522B.2, 522B.11 and 522B.17;
- C. Respondent shall, within 30 days of this Order, pay a civil penalty in the amount of \$6,000. 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. 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 11th day of July, 2022.

DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,

Adam Kenworthy

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ATTORNEY FOR THE DIVISION

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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 July 13, 2022.

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

Signature: Tammil Green
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 OR REISSUANCE

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 insurance business for which a producer license is required pursuant to Iowa Code § 522B.2. Your license will not be active until the Commissioner makes the determination to reinstate or reissue 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. 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 contested case. 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, Frank P. Tarasi, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. I understand and acknowledge I have the right to consult with an attorney on this matter if I choose to do so, and acknowledge that the Division cannot

provide me an attorney nor can the Division provide me legal advice. By executing this Consent Order, I understand that I am waiving my rights to a contested case 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: 6-27-22



Frank P. Tarasi, Respondent

2417 Caspner Rd Adamsville IA 52233
Address of Signatory

Subscribed and sworn before me by Alyx-Andrea George on this 27 day of June, 2022.

