



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 114670
)	
KAREN A. STOUT,)	ORDER AND
NPN 7923017,)	CONSENT TO ORDER
DOB 11/12/XXXX,)	
)	
Respondent.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent, Karen A. Stout, 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. Karen A. Stout (“Stout”) is an individual with a last-known residence and mailing address of 1231 NW 90th St., Clive, Iowa 50325. According to her licensing record, her residence address is 103 N 9th St., Stop 3, Adel, Iowa, 50003. However, a search of public records was conducted and shows her actual residence and mailing address is 1231 NW 90th St., Clive, Iowa 50325.
3. Stout is and has been licensed in the state of Iowa as a resident insurance producer since November 5, 2003. She is licensed under National Producer Number 7923017.
4. Pursuant to Iowa Code § 505.28, Stout consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.

5. From March 30, 2022 to present, Stout 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; 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. Stout applied for a resident insurance producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License. In submitting the Uniform Application, Stout designated the Commissioner as an agent for service of process.

7. The Division issued Stout a license as a resident insurance producer on November 5, 2003, and assigned to her National Producer Number 7923017.

8. Stout worked as an independent producer from approximately March 3, 2004, until she was terminated for cause by Farmers Insurance (“Farmers”) on May 5, 2022.

9. Farmers terminated Stout’s appointment for allegedly falsifying documents and submitting these documents to Farmers in order to get discounts for consumers.

Division’s Communication Attempts

10. On May 6, 2022, after receiving Farmer’s notice of Stout’s termination for cause, a Division investigator emailed Stout a request for information (“RFI”) using the email address provided by Stout and noted in her licensing record: 56stout@gmail.com. Stout’s response was due May 23, 2022.

11. On May 10, 2022, Stout responded by email requesting to voluntarily surrender her license. The Division investigator advised Stout of the process to surrender her license and reminded her of her duty to cooperate, even if she decided to surrender her license.

12. The Division investigator received no further communications from Stout and no surrender paperwork was submitted to the Division's Licensing Bureau.
13. On May 16, 2022, the Division called the telephone number contained in Stout's licensing record and left a voicemail, requesting Stout's cooperation in addressing the May 6th RFI. Stout did not respond to this message.
14. On May 24, 2022, the Division sent a second RFI through certified mail to the residence address contained in Stout's licensing record, 103 N 9th St., Stop 3, Adel, Iowa 50003.
15. The May 24th RFI was returned to the Division as "undeliverable, no signer available" on June 7, 2022.
16. On June 7, 2022, the Division sent a third RFI requesting Stout's cooperation using FedEx to an address found from a search of public records, 1231 NW 90th St., Clive, Iowa 50325. FedEx delivery tracking information shows this mailing was successfully delivered and signed for by Stout on June 8, 2022. Stout's response to the third RFI was due June 22, 2022.
17. Stout failed to provide a response to the June 7th RFI by the June 22, 2022 due date and has not provided a response as of the date of this filing.

III. CONCLUSIONS OF LAW

COUNT I

Failure to Cooperate

18. Under Iowa Code § 522B.11(1)(p), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for failing or refusing to cooperate in an investigation.
19. Stout failed to cooperate with an investigation by the Division regarding her termination for cause.

20. Other than indicating a desire to surrender her license, Stout failed to respond to the May 6th RFI emailed to her.

21. Stout failed to provide a response to the June 7th RFI sent by FedEx that was delivered and signed for by her on June 8th.

22. Stout's sole contact with the Division was immaterial to the Division's requests and her duty to cooperate with those requests.

23. Stout's acts and practices have been in violation of Iowa Code § 522B.11(1)(p) subjecting Stout to probation, suspension, or revocation of Stout's insurance producer license, the imposition of a civil penalty, an order requiring Stout 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 §§ 505.8, 507B.7, 522B.11, and 522B.17.

COUNT II
Failure to Update Address

24. Under Iowa Code § 522B.6(7) and Iowa Administrative Code rule 191—10.12(2), a licensee shall inform the Commissioner of a change of address within thirty (30) days of the change.

25. The address provided by Stout and recorded in her producer licensing record for her business and mailing address is listed as Farmers Insurance Group, 8525 Douglas Ave., Ste 33, Urbandale, Iowa 50322. Farmers terminated Stout's appointment on May 5, 2022.

26. The residence address provided by Stout and recorded in her producer licensing record is 103 N 9th St., Stop 3, Adel, Iowa, 50003.

27. The May 24th RFI sent to Stout's residence was returned to the Division on June 7, 2022 as "undeliverable, no signer available" because she had moved and not left a forwarding address.

28. Stout did not provide the Division's Producer Licensing Bureau with an updated address within thirty (30) days and has not done so as of the date of this filing.

29. Stout's failure to inform the Commissioner of a change in address is a violation of Iowa Code § 522B.6(7) and Iowa Administrative Code rule 191—10.12(2), subjecting Stout to a penalty, 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.17, 507B.7, 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. Stout's Iowa resident insurance producer license is immediately revoked, pursuant to Iowa Code §§ 507B.7 and 522B.17;
- B. Stout shall, contemporaneously with this Order, pay a civil penalty, in the amount of \$367.25 for the 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.
- C. Stout, pursuant to Iowa Code §§ 507B.7 and 522B.17, shall immediately cease and desist from engaging in the business of insurance in this state.

SO ORDERED on the 29th day of November, 2022.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



Colin Grace
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: (515) 654-6560
Email: colin.grace@iid.gov
ATTORNEY FOR THE DIVISION

Copy to:

Karen A. Stout
1231 NW 90th St.
Clive, Iowa 50325
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 November 30, 2022.

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

Signature: /s/ Brooke Hohn
Brooke Hohn

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 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 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.

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.

CONSENT TO ORDER AND AGREEMENT

I, Karen A. Stout, 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.

RECEIVED

NOV 28 2022

COMMISSIONER OF INSURANCE
INSURANCE DIVISION OF IOWA

Dated: 11-14-2022

Karen A. Stout

Karen A. Stout, Respondent

1231 NW 90th St., Clive, Ia. 50325

Address of Signatory

Subscribed and sworn before me by Karen A. Stout on this 14 day of November, 2022.

Allison Mack

Notary Public for the State of Iowa

