



BEFORE THE IOWA INSURANCE COMMISSIONER

| | | |
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| IN THE MATTER OF |) | Division Case No. 114669 |
| |) | |
| MICHAEL B. PARKS, |) | DEFAULT ORDER, FINDINGS OF |
| |) | FACT, CONCLUSIONS OF LAW |
| |) | AND ORDER |
| |) | |
| Respondent |) | |

The Commissioner has taken up for consideration the Division’s motion for default order, filed on October 13, 2022, by Mr. Colin Grace as the attorney representing the Iowa Insurance Division (“Division”). Parks did not file an answer to the statement of charges or provide a timely response to the Division’s motion for default, so the Division’s motion for default was sustained and the Commissioner entered judgment in favor of the Division against Parks in an interlocutory order of default on January 3, 2023.

At the hearing on monetary relief on January 12, 2023, the Division appeared by counsel. Parks did not appear.

NOW THEREFORE, Douglas Ommen, Iowa Insurance Commissioner, being fully informed of the matter, issues the following default order, findings of facts, conclusions of law, and orders:

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. 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.

3. Michael B. Parks (“Parks”) is an individual with a last-known residence and mailing address of 15028 Preston Court Drive, San Antonio, TX 78247.
4. The Commissioner has taken up for consideration the Division’s motion for default order, filed on December 15, 2022, by Mr. Colin Grace as the attorney representing the Iowa Insurance Division (“Division”). Parks has not filed an answer to the statement of charges, nor has he responded to the Division’s motion for default order. The Division’s motion for default order has been sustained.
5. Parks first became licensed in the state of Iowa as a nonresident insurance producer on August 11, 2010. Parks voluntarily surrendered his license for his and his new employer’s convenience in August 2015 and reapplied and was reissued a nonresident insurance producer license on or about August 13, 2015. Parks has been licensed as a nonresident insurance producer since August 2015 and is licensed under National Producer Number 15876127.
6. Pursuant to Iowa Code § 505.28, Parks consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.
7. From April 18, 2022 to present, Parks 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; and civil penalties or other relief under Iowa Code chapters 505, 507B, 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

8. The Division’s motion for default has been sustained, Parks is in default and all of the Division’s allegations in its statement of charges have been deemed admitted.
9. Parks applied for a nonresident 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, Parks designated the Commissioner as an agent for service of process.

10. The Division first issued Parks a license as a nonresident insurance producer on August 11, 2010, and assigned to him National Producer Number 15876127.

11. Parks worked as an independent producer for the United Services Automobile Association (“USAA”) from approximately October 27, 2015, until he was terminated for cause on April 18, 2022.

12. USAA terminated Parks’ appointment for cause on April 18, 2022, for allegedly issuing policies without the express consent of consumers and engaging in a pattern of violating company policies and guidelines.

Division’s Communication Attempts

13. On May 3, 2022, after receiving USAA’s notice of Parks’ termination for cause, a Division investigator emailed Parks a request for information (“RFI”) using email address macmanmike08@yahoo.com. This email address was obtained through a public record search as Parks’ licensing record contained only USAA email addresses which were terminated along with his employment. There was no indication this email did not reach its intended inbox.

14. No response was received by the May 19, 2022 deadline contained in the May 3 RFI and no response has been provided as of the date of this filing.

15. On May 24, 2022, the Division sent a second RFI to Parks through certified mail to the residence address contained in Parks’ licensing record. This certified letter was returned to the Division as “Unable to Forward; Return to Sender” on June 21, 2022.

16. The deadline to respond to the May 24 RFI was June 10, 2022. Parks did not respond to the May 24 RFI by June 10, 2022, and has not provided a response as of the date of this filing.

17. On June 10, 2022, the Division sent a third RFI through FedEx to Park's residence address contained in his licensing record. FedEx delivery tracking information shows the delivery was signed for by S. Blad on June 15, 2022.

18. Parks' response to the June 10 RFI was due June 20, 2022. Parks failed to provide a response to the June 10 RFI by the June 20, 2022 deadline, and has not provided a response as of the date of this filing.

19. Parks has not had *any* communication with the Division as of the date of this filing.

III. CONCLUSIONS OF LAW

20. 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.

21. Parks failed to respond to the Division's motion for default order within ten days as required by Iowa Administrative Code rule 191—3.15(2).

22. A motion may be considered unresisted if no response is timely filed. Iowa Administrative Code rule 191—3.15(2). Parks has not filed a timely written response to the Division's motion for default order. The motion is therefore considered unresisted.

23. A party to a contested case action may move for default against a party when the party fails to file a required pleading or has failed to appear after proper service. Iowa Administrative Code rule 191—3.15(2). Parks has not filed an answer to the statement of charges and has not timely filed a response to the Division's motion for default order.

24. Under Parks' consent to service of process, Parks was properly served as required by Iowa Administrative Code rule 191—3.5(1).

25. The Division's investigator sent three RFIs to Parks, dated May 3 and 24, and June 10, 2022, requesting a response to the notice of termination for cause received by the Division.
26. Parks failed to provide a response to the May 3 RFI emailed to him.
27. Parks failed to provide a response to the May 24 RFI mailed to him.
28. Parks failed to provide a response to the June 10 RFI delivered to him by FedEx.
29. Parks did not contact the Division investigator in any manner, regarding the Division's RFIs, or otherwise.
30. Parks failed to cooperate with an investigation by the Division regarding his
31. Parks's acts and practices have been in violation of Iowa Code § 522B.11(1)(p) subjecting Parks to probation, suspension, or revocation of Parks's insurance producer license, the imposition of a civil penalty, an order requiring Parks 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, 522B.17, and 505.8.
32. Penalties for violations of Iowa Code § 522B.11(1)(p) may be assessed pursuant to Iowa Code 507B. Iowa Code 507B.7(1)(a) permits an order to pay a civil penalty of up to \$1000 per violation or a civil penalty up to \$5000 per violation if the person knew or should have known that they were in violation of the law. Parks committed three violations of law.
33. The Division has proven that the investigative and prosecution costs were \$600.

ORDERS

IT IS HEREBY ORDERED that Michael B. Parks is in default pursuant to Iowa Administrative Code rule 191—3.22, and that judgment shall be entered against Parks in favor of the Division.

- A. Parks's nonresident insurance producer license is immediately revoked pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Parks is prohibited from selling, soliciting, or negotiating insurance and transacting any insurance business in this state pursuant to Iowa Code § 505.8(10) without a license;
- C. Parks shall, within 30 days of this Order, pay as a civil penalties the amount of \$1000.00, 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, 522B.11, and 522B.17;
- D. Parks shall, within 30 days of this Order, pay as costs of investigation and prosecution the amount of \$600.00, 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, 522B.11, and 522B.17; and
- E. 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), 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 this 17th day of January, 2023.



Douglas Ommen
Iowa Insurance Commissioner

Copies of this order shall be sent by both certified and first-class mail to:

Michael B. Parks
15028 Preston Court Drive
San Antonio, TX 78247
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 January 17, 2022: 2023

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

Signature: Brooke Hohn
Hilary Foster Brooke Hohn

NOTICE OF FINAL ORDER

A default decision becomes final agency action 15 days from the date of the decision was mailed unless a motion to vacate the default decision is filed within that time period. 191 IAC 3.22(3). A motion to vacate must state all the facts upon which the moving party relies to establish good cause for failure to appear or participate at the contested case proceeding. Each fact must be substantiated by at least one affidavit by a person with personal knowledge of the fact, and the affidavit must be attached to the motion.

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 § 507 A. 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

When this Order becomes final, 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 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 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.