



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 117427
)	
DOREEN R. TOWNSEND,)	ORDER TO CORRECT
NPN 8837873,)	JULY 5, 2023 ORDER
DOB 09/18/XXXX,)	
)	
Respondent.)	

NOW THEREFORE, the Commissioner takes up for consideration the parties' Joint Motion to Amend Final Consent Order filed on July 20, 2023.

1. On July 5, 2023, an Order and Consent to Order was filed in this matter.
2. The Division claims it was made aware of an error in the order regarding the amount of restitution owed to Aflac and the party to whom restitution was paid.
3. Part IV.C of the order provides "Townsend shall, within thirty (30) days of this Order, pay restitution in the amount of \$3,059.91, made payable to the Iowa Insurance Division and will be credited to the Iowa Settlement Fund to be distributed to Aflac pursuant to Iowa Code § 505.8."
4. Prior to signing and returning the consent order for the Commissioner's consideration, Townsend paid restitution in the amount of \$2,959.91 directly to Aflac instead of remitting payment to the Division. Aflac confirmed the amount received by Townsend fully satisfied the amount owed to it.
5. The Respondent, Doreen R. Townsend, consents and agrees to the motion to amend the order.
6. The Division requests that the Consent Order filed on July 5, 2023, be amended to correct the amount of restitution owed to Aflac and the party to whom restitution was paid.

THEREFORE, after consideration of the parties' joint motion, the pleadings, and the law, the Joint Motion to Amend Final Consent Order is sustained.

IT IS HEREBY ORDERED that the Order and Consent to Order filed on July 5, 2023 be corrected nunc pro tunc to include the following modifications:

- A. Part IV.C of the Order to read: "Townsend shall, within thirty (30) days of this Order, pay restitution in the amount of \$2,959.91, made payable to Aflac pursuant to Iowa Code § 505.8."

SO ORDERED on this 27th day of July, 2023.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Copy to:

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RESPONDENT

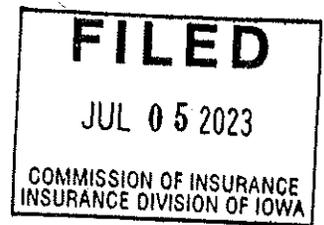
Angela Reyes
angelareyes@mail.com
ATTORNEY FOR RESPONDENT

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 _____ July 28, 2023.

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

Signature: /s/ Brooke Hohn
Brooke Hohn



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 117427
)	
DOREEN R. TOWNSEND,)	ORDER AND
NPN 8837873,)	CONSENT TO ORDER
DOB 09/18/XXXX,)	
)	
Respondent.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent, Doreen R. Townsend, pursuant to the provisions of 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 (“Consent Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces of Iowa Code chapter 507B—Insurance Trade Practices and Iowa Code chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Doreen R. Townsend (“Townsend”) is an individual with a last-known residence address of 341 W. Heather Glen Drive, Eldridge, Iowa 52748.
3. Townsend is and has been licensed in the state of Iowa as a resident insurance producer since June 23, 2006. Townsend is licensed under National Producer Number 8837873.
4. Pursuant to Iowa Code § 505.28, Townsend consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.
5. From on or about June 2020 to present, Townsend engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of Townsend’s

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. Townsend 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 (“Uniform Application”). In submitting the Uniform Application, Townsend designated the Commissioner as an agent for service of process.

7. The Division issued Townsend a license as a resident insurance producer on June 23, 2006, and assigned to Townsend National Producer Number 8837873.

8. Townsend was appointed as an insurance producer for the American Family Life Assurance Company of Columbus (“Aflac”) from June 2006 to September 2022.

9. On September 14, 2022, the Division received notification from Aflac of its decision to terminate Townsend for cause on September 9, 2022. Aflac claimed that Townsend had engaged in fraudulent claim filing, privacy violations, and soliciting business while receiving disability benefits.

10. Under Aflac’s short-term disability policy, an agent is not eligible for disability benefits if they are actively soliciting business. Townsend was aware of or otherwise had access to Aflac’s disability policies during the period of her appointment.

11. In May 2020, Townsend had surgery to address an injury sustained in December 2019. On June 19, 2020, Townsend submitted a short-term disability claim (“Claim 1”) to Aflac. Townsend listed herself as the employer on the Aflac employer claim form.

12. Townsend also submitted a physician’s statement with Claim 1, which contained an altered first date of disability. The physician’s statement completed by the physician’s office

lists the first date of disability as May 20, 2020, but the physician's statement submitted by Townsend lists a disability date of March 20, 2020.

13. In June 2020, Townsend hired Shay Miller ("Miller") to help with office work at Townsend's home office. Miller was not and has never been a licensed insurance producer in the state of Iowa. Townsend paid Miller in cash, and did not verify her address or other personal information. Miller was employed by Townsend through September 2020.

14. In an interview with a Division investigator, Townsend stated that she gave Miller her Aflac log-in credentials, which Miller then used to access Townsend's computer and Aflac's system to assist with filing paperwork on Townsend's behalf. Townsend stated that Miller also assisted in filing Townsend's disability claim and asserts that Miller made changes to her claim form. Miller was not employed by or otherwise affiliated with Aflac.

15. Pursuant to Aflac's confidentiality policy, agents are prohibited from sharing Aflac passwords to any unauthorized users to prevent the wrongful disclosure and dissemination of customers' confidential health and financial information.

16. Between May 20, 2020, and October 20, 2020, the period of disability for Claim 1, Townsend completed fifteen (15) sales of insurance to Iowa consumers through Aflac.

17. Townsend mistakenly believed she could still collect disability benefits from Aflac while selling insurance, so long as she did not exceed 80% of her income. Townsend did not check with Aflac to verify her eligibility for disability benefits, instead relying on information communicated to her from two other Aflac agents.

18. On May 15, 2021, Townsend injured her knee. On June 10, 2021, Townsend submitted a claim for short-term disability ("Claim 2") to Aflac. Townsend listed herself as the employer on the Aflac employer claim form.

19. Townsend also submitted a physician's statement with Claim 2, which listed the first date of disability as May 19, 2021, and contained an altered expected return-to-work date, patient consultation date, and last treatment date. The physician's statement completed by the physician's office lists the expected return-to-work date as July 13, 2021, the patient consultation date as May 26, 2021, and the last treatment date as May 26, 2021. The physician's statement submitted by Townsend lists an expected return-to-work date of August 18, 2021, a patient consultation date of May 19, 2021, and a last treatment date of June 1, 2021.

20. Townsend submitted continuing disability claims to Aflac on September 2, 2021, and September 18, 2021, relating to Claim 2 (collectively, "continuing disability claims"). The continuing disability claims extended the expected release date of Claim 2 to October 31, 2021. Both continuing disability claims included a physician statement from Townsend's physician, and bore a signature purporting to be that of physician S.H. However, physician S.H. stated that they did not prepare either physician statement relating to the continuing disability claims, and that they last saw Townsend as a patient prior to September 2021.

21. Between May 19, 2021, and October 31, 2021, the period of disability for Claim 2 and the continuing disability claims, Townsend completed seventy-one (71) sales of insurance through Aflac, seventy (70) of which were to Iowa consumers.

22. On June 6, 2022, Townsend injured her hip. On August 15, 2022, Townsend submitted a claim for short-term disability ("Claim 3") to Aflac. Townsend listed herself as the employer on the Aflac employer claim form. Claim 3 included a physician's statement releasing Townsend back to work on August 23, 2022.

23. Between June 6, 2022, and August 23, 2022, the period of disability for Claim 3, Townsend completed nine (9) insurance sales through Aflac.

24. In August 2022, Aflac opened an investigation into Townsend after it discovered that Townsend had solicited business while claiming short-term disability benefits. Aflac subsequently terminated Townsend's employment on September 9, 2022.

25. Aflac determined that Townsend had received a total of \$3,359.91 in short-term disability overpayments. On September 26, 2022, following Townsend's termination, Townsend and Aflac entered into a payment plan for Townsend to repay \$3,359.91 in overpaid disability benefits. Townsend completed three (3) payments totaling \$300.00, then stopped repayment. Townsend currently owes Aflac \$3,059.91 in overpaid disability benefits.

III. CONCLUSIONS OF LAW

COUNT I

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

26. 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.

27. Townsend used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she entrusted her Aflac login credentials to Miller, an unauthorized party, in violation of Aflac's confidentiality policies and leading to the wrongful disclosure of Aflac customers' confidential health and financial information.

28. Townsend further used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she sold a total of ninety-five

(95) insurance policies for Aflac while on disability leave in violation of Aflac's disability leave policies.

29. Townsend further used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she altered or fabricated the physicians' statements submitted with Claim 1, Claim 2, and the continuing disability claims.

30. Townsend's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Townsend to probation, suspension, or revocation of Townsend's insurance producer license, the imposition of a civil penalty, an order requiring Townsend 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.

COUNT II
**Forgery on a Document Relating to an
Insurance Transaction**

31. Under Iowa Code § 522B.11(1)(j), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for forging another's name to an application for insurance or to any document related to an insurance transaction.

32. Townsend submitted two physician statements to Aflac in support of the continuing disability claims purporting to bear the signature of physician S.H. Physician S.H. did not complete or sign either physician statement. Rather, Townsend completed both statements herself and forged physician S.H.'s signature to both statements prior to submitting the continuing disability claims to Aflac.

33. Townsend's acts and practices have been in violation of Iowa Code § 522B.11(1)(j) subjecting Townsend to probation, suspension, or revocation of Townsend's insurance producer license, the imposition of a civil penalty, an order requiring Townsend 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.

IV. ORDER

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

- A. Townsend's Iowa resident insurance producer license is revoked and Townsend is prohibited from engaging in the business of insurance in this state pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Townsend, pursuant to Iowa Code §§ 507B.7 and 522B.17, shall immediately cease and desist from engaging in the business of insurance in this state;
- C. Townsend shall, within thirty (30) days of this Order, pay restitution in the amount of \$3,059.91, made payable to the Iowa Insurance Division and will be credited to the Iowa Settlement Fund to be distributed to Aflac pursuant to Iowa Code § 505.8;
- D. Townsend shall, within thirty (30) days of this Order, pay a civil penalty in the amount of \$1,000.00, 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, and 522B.11; and

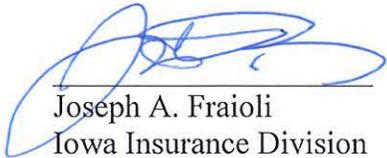
E. These orders may be enforced under Iowa Code chapters 507B.8 and 522B.17(3), and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amounts.

SO ORDERED on this 5th day of July, 2023.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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ATTORNEY FOR THE DIVISION

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RESPONDENT

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ATTORNEY FOR 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 July 5th, 2023.

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

Signature: 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 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.

NOTICE OF FINAL ORDER IMPACT

A final order of 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, Doreen R. Townsend, 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, 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.

X DocuSigned by:
Doreen Townsend
DAA943AB9E7F495...
Doreen R. Townsend, Respondent
341 W. Heather Glen Drive
Eldridge, Iowa 52748

6/26/23
Date

Subscribed and sworn before me by Doreen Townsend on this 26 day of June, 2023.

x AReyes
Angela Reyes
Attorney for Doreen Townsend
116 E. 6th Street, Davenport, IA 52803
Email: AngelaReyes@mail.com
PH: (563) 579-5917

AReyes
Notary Public for the State of Iowa

