



BEFORE THE IOWA INSURANCE COMMISSIONER

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|                      |   |                                   |
|----------------------|---|-----------------------------------|
| IN THE MATTER OF     | ) |                                   |
|                      | ) | Division Case No. 113573          |
|                      | ) |                                   |
| CHRISTOPHER C. RILEY | ) | <b>DEFAULT ORDER, FINDINGS OF</b> |
| NPN 16861306,        | ) | <b>FACT, CONCLUSIONS OF LAW</b>   |
| DOB 01/18/XXXX,      | ) | <b>AND ORDER</b>                  |
|                      | ) |                                   |
| Respondent.          | ) |                                   |

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The Commissioner has taken up for consideration the Division’s motion for default order, filed on May 24, 2023, by Mr. Colin Grace as the attorney representing the Iowa Insurance Division (“Division”). Respondent, Christopher C. Riley (“Riley”), 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 Riley in an interlocutory order of default on June 21, 2023.

At the hearing on monetary relief on August 1, 2023, the Division appeared by counsel. Riley did not appear.

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

**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. Christopher Cornelius Riley (“Riley”) is an individual with a last-known residence address of 12127 Dawes Pt, San Antonio, Texas 78254-6213.

3. Riley is and has been licensed in the state of Iowa as a nonresident insurance producer since March 1, 2013. Riley is licensed under National Producer Number 16861306.
4. Pursuant to Iowa Code § 505.28, Respondent consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.
5. From on or about September 15, 2021, to present, Riley 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.

#### **FINDINGS OF FACT**

6. Riley 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 (“Uniform Application”). In submitting the Uniform Application, Riley designated the Commissioner as an agent for service of process.
7. The Division issued Riley a license as a nonresident insurance producer on March 1, 2013, and assigned to him National Producer Number 16861306.
8. USAA employed Riley as a captive insurance producer.
9. On March 19, 2019, and May 29, 2020, Riley completed Effective Sales Practices training, an online course instructing attendees on USAA’s sales practice expectations and how to differentiate between appropriate and inappropriate sales behaviors.
10. During these two trainings, USAA trained Riley on effective sales practices that included training on obtaining the consumer’s express consent prior to issuing a policy. Riley was trained that he must obtain express consent for each individual policy issued, and that he must avoid

using assumptive closing or selling techniques (i.e. intentionally assuming the customer has already agreed to the transaction).

11. On August 21, 2021, during a routine phone monitoring, Riley's supervisor, M.O., observed Riley issue a Valuable Personal Property ("VPP") policy to a consumer without the consumer's express consent. Riley did not make it clear to the consumer that he was providing quotes for two policies, a renter's policy and a VPP policy, but instead referred to the VPP policy as "coverage" and asked the consumer if he was ready to issue "it." Riley then issued both policies.

12. When M.O. reviewed the situation with Riley, Riley claimed that M.O. had found the "one-off call" where he failed to follow the guidelines set forth in his training. Riley further claimed that M.O. would not find similar behaviors if he were to review other calls.

13. M.O. reviewed other recorded calls, and discovered that Riley had engaged in similar behavior and issued policies without the consumer's express consent on at least two (2) other occasions.

14. On a call dated July 23, 2021, Riley and a consumer discussed whether a renter's policy would cover the consumer's smart watch. Riley advised that smart watches are not covered under technology coverage, and only covered through a VPP policy. Riley quoted a single premium for both the renter's and VPP policies, referring to the VPP policy as "coverage." Riley then asked the consumer if the consumer was ready to issue "it." The consumer agreed, and Riley issued both policies.

15. On a call dated August 10, 2021, Riley assisted a consumer who was seeking information on coverage for her son's new vehicle. During the call, Riley advised the consumer that he received a system error that required him to discuss bundling options for additional policies

including a renter's insurance policy and VPP policy. Riley provided a combined quote for all three policies, but failed to clarify that these were separate policies. Moreover, Riley failed to ask questions regarding the consumer's need for VPP. Riley issued all three policies.

16. The consumers were not, and are not, Iowa residents.

17. USAA terminated Riley, effective September 15, 2021, for engaging in deceptive sales behaviors. Specifically, Riley was terminated for issuing a VPP policy to at least one consumer when the consumer demonstrated no need for the policy, and issuing policies to at least three consumers without their express consent.

18. On September 22, 2021, Riley surrendered his Texas resident insurance producer license.

19. On October 27, 2021, the Division received a Notice of Termination for Cause from USAA.

#### *Division's Communication Attempts*

20. On October 27, 2021, a Division investigator mailed Riley a Request for Information ("RFI") letter with an attached Termination for Cause questionnaire ("TFC") to the residence address provided by Riley and noted in his licensing record by USPS first-class mail. The RFI letter and TFC questionnaire contained a response deadline of November 14, 2021.

21. Riley failed to respond to the first RFI letter and TFC questionnaire.

22. The first-class mail was not returned to the Division as undeliverable.

23. On November 23, 2021, the Division investigator called Riley's cell phone number listed in the Division's licensing record, (XXX) XXX-7526. No one answered the call. The Division investigator left a voicemail message requesting a call back. The Division investigator then attempted the land-line phone number listed in the Division's licensing record, but the line was out of service.

24. On November 29, 2021, the Division investigator issued a second RFI letter and TFC questionnaire via certified mail. The RFI letter and TFC questionnaire included a response deadline of December 14, 2021.

25. The certified mail was not returned to the Division.

*Other State Actions Taken Against Riley*

26. On August 2, 2022, the Delaware Department of Insurance revoked Riley's Delaware nonresident insurance producer license for demonstrating lack of fitness and/or trustworthiness.

27. On August 18, 2022, the Vermont Department of Insurance revoked Riley's Vermont nonresident insurance producer license for failure to report another state's action, and having no resident state license.

28. On September 1, 2022, thirty (30) days after Riley's Delaware nonresident insurance producer license was revoked, Riley failed to timely notify the Division regarding the action that the Delaware Department of Insurance took against his license.

29. On September 17, 2022, thirty (30) days after Riley's Vermont nonresident insurance producer license was revoked, Riley failed to timely notify the Division regarding the action that the Vermont Department of Insurance took against his license.

30. As of the date of this filing, Riley's Texas resident license is inactive and he has no residence license in any other state.

31. As of the date of this filing, Riley has not reported the state actions taken against his insurance licenses in Vermont or Delaware.

## CONCLUSIONS OF LAW

### **Count 1: Using Fraudulent, Coercive, or Dishonest Practices or Demonstrating Incompetence or Untrustworthiness**

32. 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.

33. Riley used fraudulent, coercive, or dishonest practices, or demonstrated incompetence and/or untrustworthiness when Riley issued VPP policies to three consumers without their express consent. Specifically, for each of these consumers Riley issued multiple policies without obtaining express consent for each separate policy.

34. Riley's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Riley to probation, suspension, or revocation of Riley's insurance producer license, the imposition of a civil penalty, an order requiring Riley 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 2: Having an Insurance Producer License Denied, Suspended, or Revoked in Any Other State, Province, District or Territory**

35. Under Iowa Code § 522B.11(1)(i), 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 Iowa Code § 522B.17, for having their license denied, suspended, or revoked in any other state, province, district or territory.

36. On August 2, 2022, the Delaware Department of Insurance revoked Riley's Delaware nonresident insurance producer license for demonstrating lack of fitness and/or trustworthiness.

37. On August 18, 2022, the Vermont Department of Insurance revoked Riley's Vermont nonresident insurance producer license for failure to report another state's action, and having no resident state license.

38. Riley's acts and practices have been in violation of Iowa Code § 522B.11(1)(i), subjecting Riley to probation, suspension, or revocation of Riley's insurance producer license, the imposition of a civil 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.11, 522B.17, and 505.8.

**Count 3: Failure to Report Actions Taken Against  
Insurance Producer License in Another State**

39. Under Iowa Code § 522B.16(1) and Iowa Administrative Code rule 191—10.13(1), an insurance producer shall report to the Commissioner any administrative action taken against the insurance producer in another jurisdiction within thirty (30) days of the final disposition of the matter.

40. On September 1, 2022, thirty (30) days after Riley's Delaware nonresident insurance producer license was revoked, Riley failed to timely notify the Division regarding the action that the Delaware Department of Insurance took against his license.

41. On September 17, 2022, thirty (30) days after Riley's Vermont nonresident insurance producer license was revoked, Riley failed to timely notify the Division regarding the action that the Vermont Department of Insurance took against his license.

42. As of the date of this filing, Riley has not reported either the Vermont or Delaware actions taken against his licenses in those respective jurisdictions.

43. Riley's acts and practices have been in violation of Iowa Code § 522B.16(1) and Iowa Administrative Code rule 191—10.13(1), subjecting Riley to probation, suspension, or revocation of Riley's insurance producer license, the imposition of a civil 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.11, 522B.17, and 505.8.

#### **Count 4: Failure to Cooperate**

44. 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.

45. Riley failed to cooperate with an investigation by the Division's investigator. Specifically, Riley failed to respond to the Division's October 27, 2022 RFI letter and TFC questionnaire, and failed to respond to the Division investigator's voicemail regarding the investigation.

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

#### **Penalties and Costs**

47. Penalties for violations of Iowa Code §§ 522B.11(1)(h), 522B.11(1)(i), 522B.11(1)(p) and 522B.16(1) and 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.

48. The Division has proven that the investigative and prosecution costs exceeded \$1811.25.

### **ORDERS**

**IT IS HEREBY ORDERED** that Christopher C. Riley is in default, pursuant to Iowa Administrative Code rule 191-3.22, and that judgment shall be entered against Riley in favor of the Division.

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

- A. Christopher C. Riley's nonresident insurance producer license is immediately revoked pursuant to Iowa Code § 522B.11;
- B. Christopher C. Riley is prohibited from selling, soliciting, or negotiating insurance, offering to the public advice, counsel, or services with regard to insurance, or transacting any insurance business in this state pursuant to Iowa Code §§ 505.8(10), 507B.7 and 522B.17 without an insurance producer license;
- C. Christopher C. Riley shall, within 30 days of this Order, pay as civil penalties the amount of \$2,000.00, 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, 522B.6(7), 522B.11, and 522B.17;
- D. Christopher C. Riley shall, within 30 days of this Order, pay as costs of investigation and prosecution the amount of \$1,811.25, 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 8<sup>th</sup> day of August, 2023.



Douglas M. Ommen  
Iowa Insurance Commissioner

**Copy to:**

Christopher Riley  
12127 Dawes Pt  
San Antonio, Texas 78254  
**RESPONDENT**

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

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 August 10<sup>th</sup>, 2023.

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

Signature: Brooke Hohn  
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 an insurance producer license by order pursuant to Iowa Administrative Code 19110.10.

Reissuance of an insurance producer license is subject to the discretion of the Commissioner. Additionally, it will not be granted unless and until you have fully complied with the terms of this Order, made the appropriate application, and paid all applicable fees. If applicable, you may also be required to apply for licensure through the National Insurance Producer Registry (NIP R) 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.