



BEFORE THE IOWA INSURANCE COMMISSIONER

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IN THE MATTER OF	)	Division Case No. 117419
	)	
MALLORIE SANCHEZ,	)	<b>DEFAULT ORDER, FINDINGS OF</b>
NPN 20219923,	)	<b>FACT, CONCLUSIONS OF LAW</b>
DOB 7/26/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 August 31, 2023, by Joseph Fraioli as the attorney representing the Iowa Insurance Division (“Division”). Respondent, Mallorie Sanchez (“Sanchez”), 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 Sanchez in an interlocutory order of default on October 10, 2023.

At the hearing on monetary relief on October 17, 2023, the Division appeared by counsel. Sanchez did not appear.

**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. Sanchez is an individual with a last-known residence address of 404 Croyden Ave., Apt. 2, San Antonio, Texas 78226.
3. Sanchez is and has been licensed in the state of Iowa as a nonresident insurance producer since January 31, 2022. Sanchez is licensed under National Producer Number 20219923.
4. Pursuant to Iowa Code § 505.28, Sanchez consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.

5. From on or about August 8, 2022, to present, Sanchez engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of Sanchez'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.

#### **FINDINGS OF FACT**

6. Sanchez 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, Sanchez designated the Commissioner as an agent for service of process.

7. The Division issued Sanchez a license as a nonresident insurance producer on January 31, 2022, and assigned to Sanchez National Producer Number 20219923.

8. On January 20, 2022, Sanchez was hired by USAA Casualty Insurance Company ("USAA") as an Insurance Professional – Sales & Service III.

9. During this time, Sanchez also was insured under a USAA renter's insurance policy.

10. On or around August 8, 2022, Sanchez filed a claim under her USAA policy asserting that a power outage at her apartment on August 6, 2022, resulted in a loss of \$500.00 in spoiled food. Sanchez stated that the power outage began around 7:00–8:00 pm on August 6, 2022, and ended around noon on August 7, 2022. Sanchez stated the entire building lost power during this time.

11. USAA reviewed the claim and contacted the electric company that provides power to the apartment complex where Sanchez resides to confirm an outage on August 6, 2022. The company stated that there was no reported power outage on August 6, 2022, at that location.

12. USAA subsequently interviewed Sanchez about the claim. Sanchez maintained her assertion of an outage on August 6, 2022, and provided to USAA an email from Sanchez's property manager confirming the outage.

13. USAA contacted the property manager for the apartment complex who stated that they did not, in fact, send the email provided by Sanchez or any similar emails that day. The property manager further stated that there was no reported power outage at Sanchez's apartment on August 6, 2022, and that they do not have control over power in apartments that are occupied.

14. On September 29, 2022, USAA denied Sanchez's claim on the grounds that Sanchez "concealed or misrepresented material facts, made false statements or engaged in fraudulent conduct during the presentation of the claim."

15. On October 3, 2022, USAA staff interviewed Sanchez about the claim. Sanchez maintained her account of events, and indicated she was unaware that the claim had been denied. Following the interview, Sanchez was placed on administrative leave. Later that day, USAA terminated Sanchez's employment for cause, stating that Sanchez's fraudulent claim "violates USAA's Core Values."

#### *Division Communication Attempts*

16. On November 14, 2022, the Division received notification from USAA of Sanchez's termination for cause.

17. On November 29, 2022, a Division investigator mailed Sanchez a Request for Information ("RFI") to the residence address provided by Sanchez and noted in her licensing record, 404 Croyden Ave., Apt. 2, San Antonio, Texas 78226, by FedEx delivery. The letter directed Sanchez to contact the investigator by December 9, 2022.



18. On December 13, 2022, the RFI was returned to the Division after three unsuccessful attempts by FedEx to complete delivery.
19. On December 14, 2022, a subsequent RFI was mailed to Sanchez by USPS certified mail. The letter directed Sanchez to contact the investigator by December 19, 2022.
20. On December 19, 2022, the Division received confirmation from USPS that the RFI was delivered to and signed for by “E Moncada” at Sanchez’s residence address. A search of public records indicated that E Moncada is in a relationship with Sanchez and resides at the same address. To date, Sanchez has not responded to the RFI.
21. The only email addresses provided by Sanchez and noted in her licensing record is her email address with USAA, her former employer. The Division, in an attempt to reach Sanchez, also found a potential email address for her, sanchezmallorie95@gmail.com, through an internet search of public records. The Division emailed an RFI to this email address on November 14, 2022, and December 7, 2022. The Division received no indication that the emails failed to be delivered. Sanchez failed to respond.

## **CONCLUSIONS OF LAW**

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

22. 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.
23. Sanchez used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when Sanchez filed a fraudulent claim under her USAA renter’s policy for \$500.00 and manufacturing an email purporting to be from the

property manager of her apartment complex in support of said claim, resulting in her subsequent termination for cause from USAA.

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

### **Count II: Failure to Cooperate**

25. 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.

26. Sanchez failed to cooperate with the investigation by the Division's investigator into her termination for cause from USAA. Specifically, Sanchez failed to respond to an RFI successfully delivered to her address on December 19, 2022.

27. Sanchez's failure to cooperate has made it impossible to obtain Sanchez's statement in response to the allegations regarding Sanchez's termination for cause.

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

## ORDERS

**IT IS HEREBY ORDERED** that Mallorie Sanchez is in default, pursuant to Iowa Administrative Code rule 191-3.22, and that judgment shall be entered against Sanchez 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. Mallorie Sanchez's non-resident insurance producer license is immediately revoked pursuant to Iowa Code § 522B.11;
- B. Mallorie Sanchez is prohibited from selling, soliciting, or negotiating insurance, offering to the public advise, 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. Mallorie Sanchez, within 30 days of this Order, pay as civil penalties in the amount of \$1,500.00, made payable to the Iowa Insurance Division, to be credited to the Iowa Insurance 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. Mallorie Sanchez, within 30 days of this Order, pay as costs of investigation and prosecution in the amount of \$1,461.25, made payable to the Iowa Insurance Division, to be credited to the Iowa Insurance Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8, 522B.6(7), 522B.11, and 522B.17; and
- E. These orders may be enforced under Iowa Code chapter 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 24<sup>th</sup> day of October, 2023



Douglas M. Ommen  
Iowa Insurance Commissioner

**Copy to:**

Joseph A. Fraioli  
Iowa Insurance Division  
1963 Bell Avenue, Suite 100  
Des Moines, Iowa 50315  
[joseph.fraioli@iid.iowa.gov](mailto:joseph.fraioli@iid.iowa.gov)  
**ATTORNEY FOR THE DIVISION**

Mallorie Sanchez  
404 Croyden Ave., Apt. 2  
San Antonio, Texas 78226  
**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 October 25, 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 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**

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 191-10.10.

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 (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.