

**FILED**

**FEB 22 2024**

COMMISSION OF INSURANCE  
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF

AGHA BABER HUSSAIN,  
NPN 20154479  
DOB 6/18/XXXX

Respondent.

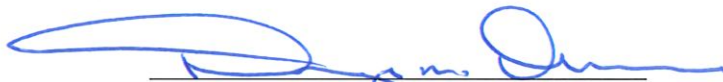
Division Case No. 117980

**FINAL ORDER**

NOW THEREFORE, the Commissioner takes up for consideration the attached Proposed Default Decision of Administrative Law Judge, Jonathan Gallagher, of the Iowa Department of Inspection and Appeals shown as filed on February 21, 2024.

IT IS ORDERED that the Commissioner has reviewed the record and adopts Judge Gallagher's default order as my own final decision.

SO ORDERED on this 22<sup>nd</sup> day of February, 2024.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

**Copy to:**

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

Agha Baber Hussain  
3405 Bans Crown Blvd  
Lewisville, Texas 75056  
[bhussain01@gmail.com](mailto:bhussain01@gmail.com)  
**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 February 23, 2024.

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

Signature: Brooke Hohn  
Brooke Hohn

IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION  
CENTRAL PANEL BUREAU

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In the Matter of:	)	
	)	
AGHA BABER HUSSAIN,	)	DIAL Case No. 24IID0006
NPN 20154479	)	Division Case No. 117980
DOB 6/18/XXXX	)	
	)	
Respondent.	)	<b>PROPOSED DEFAULT DECISION</b>

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On December 6, 2023, the Iowa Insurance Division (“IID”) filed a Statement of Charges against Agha Hussain (“Hussain”), a licensed nonresident insurance producer. Statement of Charges, at p. 1. Thereafter, on January 24, 2024, IID filed a Motion for Default Judgment, stating Hussain failed to file an answer as required and seeking a default order that revokes Hussain’s license and assess various other penalties. Hussain failed to file a timely resistance, and seeing no hearing is required or advisable, the matter is now fully submitted.

**FINDINGS OF FACT**

As just noted, IID filed a Statement of Charges against Hussain on December 6, 2023, alleging three primary counts against Hussain. Statement of Charges, at pp. 4-7. More specifically, IID alleged in Count One that Hussain violated Iowa Code section 507B.4’s and implementing rule Iowa Administrative Code (“I.A.C.”) section 191-15.8’s prohibition against the unfair trade practice of executing unauthorized transactions by signing “consumers up for a renter’s insurance polic[ies]” without knowledge, authorization, or consent from the individuals. *Id.*, at p. 4. In Count Two, IID alleged Hussain violated Iowa Code section 522B.11’s prohibition against fraudulent, coercive, or dishonest practices by telling consumers he was getting a discount for them on insurance when “in reality the second undisclosed renter’s policy resulted in an additional undisclosed monthly premium payment.” *Id.*, at pp. 5-6. In Count Three, IID alleged Hussain violated Iowa Code section 522B.6 and implementing I.A.C. rule 191-10.12 by failing to update his address as required by law. *Id.*, at pp. 6-7. As an alternative to Count III concerning failure to update an address, IID alleged in Count IV that Hussain violated Iowa Code section 522B.11 by failing to cooperate with its investigation. *Id.*, at pp. 7-8. The Statement of charges then requested a sanction on Hussain’s producer license (including revocation), a cease and desist order, a civil penalty on each of the counts, and payment of investigation and prosecution costs. *Id.* at pp. 8-9.

In support of these four counts and requested relief, IID alleged the following relevant factual allegations in its Statement of Charges:

2. Agha Baber Hussain ("Hussain") is an individual with a last-known residence address of 3405 Bans Crown Blvd., Lewisville, Texas 75056.
3. Hussain is and has been licensed in the state of Iowa as a nonresident insurance producer since January 3, 2022. Hussain is licensed under National Producer Number 20154479.

...

8. In 2022, Hussain was appointed as an insurance producer for The Travelers Indemnity Company ("Travelers"). On March 6, 2023, Travelers notified the Division that it terminated Hussain's appointment effective June 7, 2022, due to untrustworthiness in the conduct of business. Travelers alleged that on at least seven occasions between May 1 and June 30, 2022, Hussain cross-sold renter's insurance policies with automobile insurance policies to new Travelers customers without their knowledge or consent, and misrepresented the benefits of those plans during the enrollment process in his dealings with out-of-state consumers H.M., J.S., M.M., G.F., N.R., S.T., and J.D. (collectively "Consumers").

9. Between May 18 and June 26, 2022, Consumers contacted Hussain by telephone seeking automobile insurance coverage through Travelers.

10. In addition to signing Consumers up for automobile insurance plans during these calls, Hussain also completed Travelers renter's insurance applications for Consumers without their knowledge or consent. Hussain told Consumers that he was able to secure a discount by adding on "personal property protection" to the automobile insurance plan, and proceeded to ask Consumers questions relating to their eligibility for renter's insurance. At no point in Consumers' conversations with Hussain did Consumers request renter's insurance or personal property protection.

11. Hussain would then inform Consumers of the premium for the automobile insurance, but would not inform Consumers that they would also be charged separately for renter's insurance. Consumers were later billed for both insurance policies with the understanding they had only purchased automobile insurance.

12. For example, Consumer S.T. called Hussain on June 24, 2022, seeking to complete an automobile insurance application she initially started with a different agent. Hussain told S.T. that he would ask her additional questions to "get (her) another discount," and proceeded to ask eligibility questions relating to a renter's insurance application.

13. Hussain did not inform S.T. that he was completing a renter's application for her. Hussain then quoted the price of the automobile policy, but did not inform S.T. that she would be charged an additional monthly premium of \$20.1 for renter's insurance.

14. Travelers became aware of Hussain's practices on June 22, 2022, when Consumer N.R. contacted Travelers questioning the additional monthly charge. After learning that this charge was for renter's insurance that N.R. did not purchase, N.R. canceled both policies. Thereafter, Travelers began an investigation of Hussain's sales calls and discovered Hussain had similarly cross-sold automobile and renter's insurance policies to the other consumers.

15. Travelers terminated Hussain for cause effective June 7, 2022, and notified the Division of his termination on March 6, 2023.

16. On March 21, 2023, a Division investigator sent a Request for Information ("RFI") to Hussain by email to an email address provided by Hussain and noted in his licensing record, [ ]. The RFI directed Hussain to respond to the investigator by April 3, 2023. The Division received no indication that the email failed to be delivered. To date, Hussain has not responded to the email.

17. On April 4, 2023, the investigator mailed a second RFI to the residence and mailing address provided by Hussain and noted in his licensing record, 3405 Bans Crown Blvd., Lewisville, TX 75056, by FedEx delivery. The RFI directed Hussain to respond to the investigator by April 10, 2023. FedEx notified the Division that the shipment was "refused by recipient" for "inconsistent/incomplete recipient address" on April 5, 2023, and was returned to the Division on April 14, 2023.

18. On April 17, 2023, a Division investigator sent a third RFI to Hussain by email to [ ], and to a second email address obtained through a search of public records, [ ]. The RFI directed Hussain to respond to the investigator by April 27, 2023. The Division received no indication that the emails failed to be delivered. To date, Hussain has not responded to the emails.

19. On April 18, 2023, the investigator mailed a fourth RFI to 3405 Bans Crown Blvd., The Colony, TX 75056, by FedEx delivery, an address recommended by FedEx in its delivery system. The RFI directed Hussain to respond to the investigator by April 28, 2023. FedEx tracking information indicates that on April 21, 2023, the shipment was not delivered due to "incorrect address/recipient moved." FedEx subsequently forwarded the RFI to 2432 Chevy Chase Dr., The Colony, TX 75056 on April 25, 2023, where it was signed for by "A. Aghesh" at 2:29 p.m. The next entry in the shipment details indicates "shipment refused by recipient" at 2:31 p.m. To date, Hussain has not responded to the RFI.

Id., at pp. 1-4. The Statement of Charges and Notice of Hearing was served via certified mail to Hussain's address of record with IID, and while the properly address, certified mail was returned as undeliverable, IID did traditionally mail the documents and email Hussain. See, e.g., Mot. Exs. 1-3. Hussain failed to file an answer within 20 days, and has otherwise failed to participate, including at the prehearing conference.

On January 24, 2024, IID filed a Motion for Default, arguing that Hussain was in default due to his failure to file an answer and requesting a finding in its favor on the first three counts of the charges. Mot. at p. 4. More specifically, IID requested: the revocation of Hussain's insurance producer license with a prohibition against engaging in the business of insurance in Iowa; a civil penalty in the amount of \$5,000.00 (with \$3,500 for Count One, \$1,000.00 for Count Two; and \$500.00 for Count Three); and \$1,437.50 in investigation and prosecution costs. Id., at p. 5. Hussain failed to respond. For clarity, and as discussed below, the unchallenged allegations made in the Statement of Charges are taken as true for purposes of this decision.

## CONCLUSIONS OF LAW

### A.

The Iowa legislature created IID “to regulate and supervise the conducting of the business of insurance in the state.” Iowa Code § 505.1. One aspect of this authority is to regulating the licensing of insurance producers. See id. § 505.8; see also Iowa Code chapter 522B. Another aspect of this authority is monitoring and responding to unfair, deceptive, or anti-competitive trade practices in the “business of insurance.” Iowa Code § 507B.3. Pursuant to this statutory authority, IID promulgated various administrative rules governing the licensing and conduct of those in the business of insurance. For example, Chapter 10 of IID’s rules creates the specific rules governing the “qualification, licensure, and appointment of insurance producers.” 191 I.A.C. § 10.1. Likewise, Chapter 15 of IID’s rules create the “minimum standards and guidelines” for essentially fair and honest practices in the business of insurance. 191 I.A.C. § 15.1.

When IID has reason to believe that an individual has engaged in unfair or deceptive acts or otherwise has violated the statutes and rules governing the business of insurance in the State, IID may file a statement of charges against the individual. See, e.g., Iowa Code 507B.6(1). This includes taking action against an individual’s producer license. See id. § 522B.11(1). The sanction for the misconduct can vary based on the specific practice, with fines, recovery of investigation and prosecution costs, adverse action against a licensee, and other corrective action being generally available. See, e.g., id. §§ 505.8(10) (“[IID] may, after a hearing conducted pursuant to chapter 17A, assess fines or penalties; assess costs of an examination, investigation, or proceeding; order restitution; or take other corrective action as the commissioner deems necessary and appropriate to accomplish compliance with the laws of the state relating to all insurance business transacted in the state.”); 522B.11(1) (articulating license sanctions available for misconduct).

Once IID files a statement of charges against an individual and a notice of hearing is delivered concerning the charges, a contested case proceeding is commenced, with the individual against whom the charges are brought having “20 days of service of the notice of hearing unless otherwise ordered” to file an answer. 191 I.A.C. § 3.5(3). “Any allegation in the notice of hearing or accompanying charging document not denied in the answer is considered admitted” with the Tribunal authorized to “refuse to consider any defense not raised in the answer which could have been raised on the basis of facts known when the answer was filed if any party would be prejudiced.” Id.

If an individual against whom charges are brought fails to file an answer as required by rule or otherwise participate, IID may move for a default order. See id. § 3.22. More specifically, the governing IID Rule states: “If a party fails to appear or participate in a contested case proceeding after proper service of notice . . . , the presiding officer may, if no adjournment is granted, enter a default decision or proceed with the hearing and render a decision in the absence of the party.” Id. § 3.22(1). Failing to file a required pleading, such as an answer, is expressly identified as a form of lack of participation sufficient to justify a default, with another Rule stating: “Where appropriate and not contrary to law, any party may move for default against a party who has requested the contested case proceeding and failed to file a required pleading or has failed to appear after proper service.” Id. § 3.22(2).

Importantly, “[a] default decision may award any relief consistent with the request for relief made in the petition, notice of hearing, or charging document and embraced in its issues.” *Id.* 3.22(9). Of note, the repeated use of the permissive term “may” in the Rule (as opposed to a mandatory term such as “shall”) confers significant discretion in whether to issue a default decision and the nature of any sanction. *See, e.g., Burton v. Univ. of Iowa Hosps. & Clinics*, 566 N.W.2d 182, 187 (Iowa 1997) (“Generally, the word ‘may,’ when used in a statute, is permissive only and operates to confer discretion unless the contrary is clearly indicated by the context.”).

## B.

In this case, IID’s Motion for Default should be granted on the terms requested in the Motion. As an initial matter, the Tribunal has the authority to grant a default decision in this case. First, the record demonstrates Hussain was properly served the Statement of Charges and Notice of Hearing, thereby triggering the duty to file an answer within 20 days. It is true the certified mail was returned to IID, but the mailing itself to the address of record Hussain was required to maintain with IID was sufficient service under IID’s rules. *See* 191 I.A.C. § 3.5(1)(b). An individual may not avoid an action by the IID by refusing to sign for mail or by failing to update that person’s address. *Id.* Second, the record also demonstrates Hussain failed to timely file an answer, which is a required pleading. These two facts give the Tribunal the authority under IID Rule 3.22 to grant the Motion, thereby leaving the issues of whether such should be granted and on what terms.

Based on the totality of the circumstances, the Tribunal should grant the Motion. Little doubt exists Hussain has been made aware of this matter, as not only did IID attempt to contact him during the investigation as evidenced by the un rebutted claims in the Statement of Charges but it also mailed and emailed the relevant documents to the address Hussain has listed. While some physical mail has been identified as undeliverable, without more, it appears that Hussain is making a choice to not participate. Moreover, nothing about this apparent choice suggests something more is going on that warrants further efforts by IID, as it is well within the range of reasonable for an individual to choose to not participate and accept the consequence of this administrative proceeding given the nature of the allegations that could give rise to significant criminal exposure. In addition, nothing in IID’s conduct or the record suggests a hearing on the merits is needed to avoid an injustice, and the public is served by prompt resolution of this matter.

The record also dictates granting IID’s Motion on the terms requested. IID is requesting that Hussain’s producer licensee be immediately revoked with a prohibition on engaging in the business of insurance in Iowa and a civil penalty of \$5,000.00 spread over the three counts (disregarding the alternative Count IV if Count III is accepted), and payment of the costs of investigation and prosecution in the amount of \$1,437.50. Given each of these requests is authorized by statute for the conduct articulated in the Statement of Charges and given the type of relief sought in the Motion is referenced in the Statement of Charges, such relief is “consistent with the request for relief made in the petition, notice of hearing, or charging document and embraced in its issues.” *Id.* § 3.22(9). Thus, authority exists to grant the Motion, and the totality of the circumstances indicates it should be granted. This is because the un rebutted claims of fraud in the Statement of Charges and conduct to avoid being accessible by keeping information updated reveal the requested sanction is proportionate.

Without more in the record, an otherwise authorized and proportionate sanction should be the outcome. Accordingly, the Motion for Default is GRANTED.<sup>1</sup>

**DECISION and ORDER**

The following is ORDERED:

A. Agha Baber Hussain, in failing to make a written answer to the Statement of Charges and participate in the contested case proceeding, is in default pursuant to Iowa Administrative Code rule 191- 3 .22 with the factual statements in the Statement of Charges being taken as true for purposes of this decision;

B. Agha Baber Hussain's insurance producer license is immediately revoked and Hussain is prohibited from engaging in the business of insurance in Iowa pursuant to Iowa Code §§ 522B.11 and 522B.17;

C. A civil penalty in the amount of \$5,000.00 is assessed against Agha Baber Hussain, 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 and 507B.7, assessed as follows:

Count I- Transactions without authorization: \$3,500.00;

Count II - Using fraudulent, coercive, or dishonest practices or demonstrating incompetence or untrustworthiness: \$1,000.00; and

Count III - Failure to update address: \$500.00

D. Costs of the investigation and prosecution of this matter are assessed against Agha Baber Hussain in the amount of \$1,437.50, 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 and 507B.7.

The Iowa Insurance Division shall take all necessary action to implement this decision.

IT IS SO ORDERED.

Dated this the 21st day of February 2024.



Jonathan M. Gallagher  
Administrative Law Judge

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<sup>1</sup> Of note, in reaching this conclusion, the Tribunal credited the claims in the Statements of Charges primarily because the default rule applicable to this matter provides the Tribunal can grant relief consistent with the charging documents and the issue contained therein, which indicates that at least the unchallenged matters in those documents should generally be accepted. *Id.* § 3.22(9). It would be an odd result to award the relief asked for in a Statement of Charges without accepting the background claims giving rise to the relief.

cc: Joseph Fraioli and Brooke Hohn, Iowa Insurance Division (By AEDMS)  
Agha Baber Hussain, 3405 Bans Brown Blvd. Lewisville, Texas 75056, [bhussain01@gmail.com](mailto:bhussain01@gmail.com)  
(By Mail and Email)

### NOTICE

Default decisions or decisions rendered on the merits after a party has failed to appear or participate constitute final division action unless one of the following occurs: (1) the presiding officer otherwise orders, (2) a motion to vacate the default decision is filed within 15 days after the date of notification or mailing of the decision in accordance with rule 191-3.12(17A), or (3) an appeal to the commissioner of a proposed default decision is filed in accordance with rule 191-3.27(17A). A motion to vacate must be filed and served on all parties and state all facts relied upon by the moving party which establish that good cause existed for that party's failure to appear or participate at the contested case proceeding. Each fact so stated must be substantiated by at least one sworn affidavit of a person with personal knowledge of each such fact, which affidavit(s) must be attached to the motion.



**Case Title:** IN THE MATTER OF AGHA BABER HUSSAIN  
**Case Number:** 24IID0006  
**Type:** Order - Abandonment/Default

IT IS SO ORDERED.

A handwritten signature in black ink, appearing to read "Jonathan Gallagher", written in a cursive style.

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Jonathan Gallagher, Administrative Law Judge