

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF	)	Division Case No. 121701
	)	
PABLO IVAN CASTILLO,	)	
	)	
	)	
Respondent.	)	

**DECISION**

The insurance producer license of Pablo Ivan Castillo (“Castillo”) is suspended for thirty days to commence on December 20, 2024. Castillo is eligible for license reinstatement on January 20, 2025.

The Iowa Insurance Division (“Division”) brought an enforcement action against Castillo for engaging in unfair, deceptive, and dishonest conduct. The Division made these claims in a statement of charges filed on October 8, 2024, wherein it separated the alleged violations into two counts. Count 1 pertained to the charge of unfair trade practices in violation of Iowa Code §507B.4(3). The Division’s Count 2 involved the allegation that Castillo engaged in dishonest conduct in violation of Iowa Code §522B.11(1)(h).

A hearing was held on December 17, 2024, at the offices of the Iowa Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315. Castillo was present and represented by attorney Sean P. Spellman. The Division was represented by attorney Zebulon Black. The Division offered as evidence stipulations of fact and evidence, which was received into the hearing record. Pursuant to the stipulations Exhibits 1 – 6 were offered by the Division and received into evidence. The Division then rested its case. The attorney for Castillo offered Exhibits A – L into evidence, which were letters from members of the community attesting to the good character of Castillo. The exhibits were received over the objection of the Division. Castillo then offered to make a statement, which was received into evidence.

The matter was taken under advisement by the Commissioner.

In preparing the findings of fact, the names of the consumer were removed and are identified by their initials. Their identities will be maintained under seal to protect their privacy.

NOW THEREFORE, after reviewing the pleadings submitted in the case and the evidence received, we issue the following findings of fact, conclusions of law, and orders:

## II. FINDINGS OF FACT

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 507B—Insurance Trade Practices and Iowa Code chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Pablo Ivan Castillo (“Castillo”) is an individual with a last-known residential address of 509 Crescent Lane, Norwalk, Iowa 50211.
3. Pursuant to Iowa Code § 505.28, Castillo consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B and 522B.
4. From on or about May 2022, to present, Castillo engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of Castillo’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.
5. Castillo is and has been licensed in the state of Iowa as a resident insurance producer since February 18, 2009. Castillo is licensed under National Producer Number 13130162.
6. Castillo was registered with the Financial Industry Regulatory Authority, Inc. (“FINRA”) as a broker-dealer agent from January 6, 2009, to December 26, 2017, when his broker-dealer firm filed a U5 - Uniform Termination Notice for Securities Industry Registration, indicating a voluntary termination. Country Financial allowed agents who no longer wanted to sell financial products to voluntarily terminate their securities license with no penalty. Castillo was licensed under Central Registration Depository (“CRD”) number 5621125.
7. On February 2, 2009, Castillo was appointed by the Country Financial family of companies: Country Mutual Insurance Company, County Preferred Insurance Company, Country Casualty Insurance Company, Country Life Insurance Company, and Country Investors Life Assurance Company (“Country Financial”).
8. On February 12, 2024, Country Financial notified the Division of its decision to terminate Castillo’s appointment for cause on January 26, 2024, for allegedly submitting forged documentation that he created to establish consumer eligibility and to provide discounts on home insurance applications submitted to Country Financial.

### *Fabricated Auto Insurance Documents*

9. While appointed by Country Financial, Castillo sold auto insurance. When Castillo submitted an auto insurance policy application for a consumer, Castillo ran a Comprehensive Loss Underwriting Exchange (“C.L.U.E.”) report through LexisNexis Risk Solutions for the consumer, which showed the consumer’s driving record, prior coverage, and gaps in coverage. If the consumer’s C.L.U.E. report showed there was a gap in coverage or an accident, Country Financial required the consumer to provide a letter of experience from their prior insurance company to confirm fault in prior claims, exclusion of drivers, and coverage dates. Country

Financial initially issues auto policies prior to receiving the required information but if the required information is not submitted to Country Financial within 30 days the policy will be cancelled.

10. If a customer is required to file an SR-22, Country Financial only permits that consumer to purchase insurance through Country Casualty, and not through the other Country entities. An SR-22 is a certificate of financial responsibility that is submitted to a state to prove that a specific driver has minimum required auto coverage.

*Consumer CA*

11. In July 2022, Castillo submitted an auto insurance policy application for a consumer in Iowa whom we identify as CA. CA's C.L.U.E. report indicated she had a prior gap of coverage. Country Financial required that CA provide it with a letter of experience from Bristol West Insurance Company ("Bristol West") showing that CA did not have a gap in coverage.

12. Castillo fabricated a Letter of Experience document for CA purporting to be from Bristol West dated July 25, 2022. (Ex. 1). The letter contained a fake Bristol West policy number. Castillo submitted this letter to Country Mutual Insurance Company ("Country Mutual"), and CA was subsequently insured through Country Mutual.

*Consumer ML*

13. In March 2023, Castillo submitted an auto insurance policy application to Country Financial for a consumer in Iowa whom we identify as ML. ML's driving record showed a lapse in coverage starting in November 2019. Castillo fabricated a letter of experience for ML and submitted it to Country Financial underwriting following their receipt of the application. (Ex. 2). The letter purported to be from Bristol West dated March 14, 2023, and stated that the policy was effective in April 2022, and there was no lapse in coverage. The letter contained a fictitious policy number and incorrectly identified the policy limits for the prior coverage. Castillo stated he created the letter of experience for two reasons: first, that he had not received the letter from the previous carrier; and second, in this situation he felt compelled to do this so that the client was not left without coverage.

*Consumer JMT*

14. In May 2023, Castillo submitted an auto insurance policy application to Country Financial for a consumer in Iowa whom we identify as JMT. Country Financial required a letter of experience based on two claims made on JMT's State Farm policy. Castillo fabricated a letter of experience dated May 8, 2023, explaining the two accidents and submitted it to Country Financial underwriting. (Ex. 3). The letter contained a State Farm agent's name and a fabricated agent code. The State Farm office address listed on the letter was permanently closed by State Farm in November 2020. Castillo stated he created the letter of experience for two reasons: first, that he had not received the letter from the previous carrier; and second, in this situation he felt compelled to do this so that the client was not left without coverage.

### *Consumer CR*

15. On or about September 27, 2023, Castillo submitted an auto insurance policy application for a consumer in Iowa whom we identify in these findings as CR. When he applied for insurance from Country Financial, CR had SR22 insurance through Dairyland Insurance.

16. CR was required to submit a letter of experience with his application due to tenure requirements on the new policy that could be demonstrated with his prior insurance at Bristol West. Castillo fabricated a letter of experience for CR purporting to be from Bristol West dated September 22, 2023, which stated CR's policy limits, that CR did not file any claims with Bristol West, and that there was no gap in CR's coverage. (Ex. 4). The letter contained a fake policy number and contained typographical errors. Castillo submitted this letter to Country Financial. Castillo submitted CR's application by overriding the existence of prior insurance and manually entering prior tenure and limits for that policy which triggered the need for the letter of experience.

17. After Country Financial discovered Mr. Castillo's conduct, it contacted CR. CR was aware that he was currently insured by both Dairyland and Country Financial and believed that he needed both policies. After conversations with Country Financial to determine CR's insurance needs, CR elected to keep his Dairyland insurance only.

### *Fabricated Roofing Invoices*

18. While appointed by Country Financial, Castillo also sold property and casualty insurance. From May 2022, until April 2023, Castillo submitted at least four fabricated roofing invoices to Country Financial so that Iowa consumers would qualify for the age of roof that was listed in the application for their homeowner's insurance policies. (Ex. 5). Invoices are required to prove the age of a roof, and without them, the insurance policy would default the roof age to ten years old which would ultimately reduce the value of any roof claims.

19. For these consumers, all four of the policies were quoted while the consumer was purchasing a home and the consumer informed Castillo of the roofing date provided by the seller. During the home purchase process, if the consumer was unable to obtain records needed to show Country Financial the date that the roof was replaced, Castillo would use the date that the seller had told the consumer and fabricate an invoice. Castillo would then use his opinion to confirm that the age of the roof matched the date the consumer provided when he took photographs of the home. Country Financial underwriting would then use the photographs and invoice submitted by Castillo to set the age of the roof. Castillo would fabricate the documentation on the consumers behalf in order to qualify for the age of roof that was stated in the application.

20. The invoices Castillo fabricated contained contact information and business names for entities that were not registered with the Iowa Secretary of State. Country Financial attempted to contact these businesses but the phone numbers were not in service and the email addresses were not valid. Additionally, the listed business addresses either did not exist or the addresses could not be tied to the business name listed. The invoices also did not contain standard itemized details that would typically be contained in a roofing invoice, including the type and number of shingles, other materials used for the job, cost of disposal of the previous roof, and labor charges.

Further, none of the invoices contained invoice numbers, and all contained similar language and formatting.

### *Division Investigation*

21. On April 2, 2024, Castillo and his attorney met with Division investigators for a recorded interview. Castillo admitted that he had fabricated the letters of experience for consumers CA, ML, JMT, and CR. Castillo assumed that these consumers might have trouble communicating with their prior insurance company and obtaining the letters because many of his clients were not native English speakers. Castillo stated that he drafted these letters using information that was provided to him by the consumers but did not independently verify or confirm that the consumers told him the truth. Castillo stated that he did this to help his clients, and he did not want them to lose coverage because they were not able to obtain the letters of experience.

22. Castillo received commissions between 6% and 10% on each new home or auto policy he wrote, plus a renewal commission if the client renewed their policy from Country Financial. The commission average is seventy-five to one hundred and fifty dollars a year. Castillo claimed that he fabricated the documents to make sure the clients did not lose coverage on a policy that was issued and bound already.

### **IV. CONCLUSIONS OF LAW**

23. Iowa law grants wide discretion to a licensing authority such as the insurance commissioner. The Iowa Supreme Court has described this authority as “extremely broad.” *In the matter of DeVries*, No. 103128, 2021 WL 1202188, (Iowa Ins. Div., March 26, 2021), at 22; *In the matter of Diamond*, No. 96975, 2019 WL 5677529, (Iowa Ins. Div., Oct. 23, 2019), at 35; *Burns v. Board of Nursing of State of Iowa*, 528 N.W.2d 602, 604 (Iowa 1995). As the purpose of statutory licensing schemes is to protect the public health, safety and welfare of the people of Iowa, the licensing statutes should be liberally construed. *DeVries, Id.* at 22; *Diamond, Id.* at 35; *In the matter of Michael Nulph*, Division Case No. 94689, November 7, 2017, 2017 WL 6504599 (Iowa Ins. Div.) at 5. This broad discretion applies to the licensing and regulatory responsibilities of the insurance commissioner over the business of insurance.

### *Count 1 – Unfair Trade Practices*

24. Under Iowa Code § 507B.4(3)(n) a person is prohibited from “[m]aking false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual.”

25. Castillo committed an unfair trade practice by making false or fraudulent statements or representations relative to an application for insurance policy when he fabricated experience letters for consumers CA, ML, JMT, and CR to ensure they would qualify for automobile insurance with Country Financial. Castillo made a commission on each one of these policies between six and ten percent.

26. Castillo committed an unfair trade practice by fabricating roof age documentation to increase the likelihood that applicants for roofing insurance would be approved at lower rates.

27. Castillo committed these unfair trade practices to increase the likelihood that his clients would keep their active and bound policies through Country Financial, for which he received commissions.

28. Castillo's acts and practices violate Iowa Code § 507B.4(3)(n), subjecting Castillo to probation, suspension, or revocation of Castillo's insurance producer license, the imposition of a civil penalty, an order requiring Castillo 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 §§ 505.8 and 507B.7.

***Count 2 – Using Fraudulent, Coercive, or Dishonest Practices or  
Demonstrating Incompetence, Untrustworthiness***

29. 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.

30. Castillo used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when he fabricated letters of experience from insurance companies in order to qualify consumers for auto insurance policies instead of obtaining letters from his clients' former insurers. Castillo used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility by omitting determinative information from fabricated letters of experience even when the information was available to him.

31. Castillo used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when he fabricated roofing invoices so consumers could qualify for age-of-roofing discounts and receive potentially higher value claims without having any proper records of roofing age.

32. Castillo's acts and practices violate Iowa Code § 522B.11(1)(h) subjecting Castillo to probation, suspension, or revocation of Castillo's insurance producer license, the imposition of a civil penalty, an order requiring Castillo 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.

*Acceptance of Responsibility and Likelihood of Repeated Offense*

33. Castillo has fully accepted responsibility for his conduct.

34. In his statement at the hearing, Castillo did attribute his unlawful conduct to his desire to help his customers obtain coverage. However, we find that Castillo now fully appreciates the risk of harm to insurers and consumers by submitting any fabricated or otherwise false information during underwriting.

35. We found Castillo be a sincere, well-intentioned individual with generally good moral character. He also exhibited a very strong resolve to avoid any further licensing discipline and a desire to pursue his chosen career as an insurance professional. This finding is corroborated by the significant number of Iowans vouching for Castillo's good character. We find Castillo is highly motivated to not again breach the trust we have placed in him.

36. We are persuaded that Castillo should be granted a second opportunity to pursue his chosen profession and the opportunity to build a fulfilling life in that profession. We expect Castillo will honor that trust with conscientious compliance with the law.

**FINAL ORDERS**

**WHEREFORE, IT IS ORDERED**, pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapters 505, 507B and 522B:

- A. Castillo's resident insurance producer license is suspended for a period of thirty days beginning on December 20, 2024 pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Castillo is prohibited from selling, soliciting, or negotiating insurance and transacting any insurance business in this state pursuant to Iowa Code § 505.8(10) during his license suspension;
- C. On January 20, 2025, or thereafter, Castillo may file an Iowa Insurance Producer Application for Reinstatement or Reissuance After Disciplinary Action ("Reinstatement Application").
- D. Castillo, pursuant to Iowa Code §§ 507B.7 and 522B.17, is permanently prohibited from creating any document in the business of insurance that is not genuine, or is intended in any manner to appear authentic, if it is not;
- E. Castillo, pursuant to Iowa Code §§ 507B.7 and 522B.17, for a period of one year from January 31, 2025 through January 31, 2026, is required to provide to the Division a quarterly summary report of the status of his work in the business of insurance, including the identity of any insurance producers with whom he has associated;

- F. Castillo, within one year of this order, shall pay pursuant to Iowa Code § 505.10, as costs of investigation, the amount of \$2031.25 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
- G. 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 the 18<sup>th</sup> day of December, 2024.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Copies to:  
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West Des Moines, IA 50266  
Attorney for Respondent



**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 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 contested case. 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 violation.

**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 December, 2024.

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

Signature: Brooke Hohn  
Brooke Hohn