

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF SARIN HAAG, NPN 19040857 DOB 02/10/XXXX Respondent.	Division Case No. 117413 FINAL ORDER
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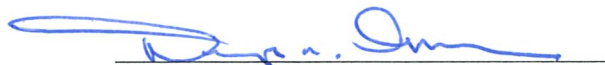
NOW THEREFORE, the Commissioner takes up for consideration the attached Proposed Default Order of Administrative Law Judge, Forrest Guddall, of the Iowa Department of Inspections and Appeals show as filed on January 27, 2025.

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

IT IS FURTHER ORDERED that Sarin Haag has 30-days from the date of this Order to pay a civil penalties of \$5,000, and investigation and prosecution costs of \$1626.25.

IT IS FURTHER ORDERED that 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.

Dated this 29th day of January, 2025.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Copy to:

Colin Grace
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, IA 50315
Colin.grace@iid.iowa.gov
ATTORNEY FOR THE DIVISION

Sarin Haag
2526 Westbank Place
Garland, TX 75042
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 January 30th, 2025.

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

In the Matter of:)	
)	
SARIN HAAG,)	Case No. 25IID0004
NPN 19040857,)	IID Case No. 117413
)	
Respondent.)	DEFAULT PROPOSED ORDER
)	
)	

On November 21, 2024, the Iowa Insurance Division (Division) served, via restricted certified mail, return receipt requested, a Statement of Charges (Statement of Charges) on Respondent and the matter was originally scheduled for both a prehearing conference and an evidentiary hearing before Commissioner Douglas M. Ommen. The matter was transferred to this tribunal on December 4, 2024 (and the Statement of Charges electronically filed before this tribunal on December 5, 2024). A prehearing conference was scheduled for January 15, 2025, and an evidentiary hearing was scheduled for January 28, 2025. On January 15, 2025, the Division filed a Motion for Default because Respondent failed to file an answer and appear at the prehearing conference as required by law. For the reasons discussed below, the Division’s Motion for Default is granted.

FINDINGS OF FACT

A. Division Statement of Charges

On November 21, 2024, the Division filed and served a Statement of Charges alleging two counts against Respondent Haag. (Statement of Charges). More specifically, the Division alleged as follows:

- Count I alleges that Haag violated Iowa Code section 522B.11(1)(h) which prohibits “using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business” for when Haag “manipulated billing dates to skip billing cycles,” “bound approximately 150 policies with non-eligible named insureds,” and “dealt directly with an automobile dealer instead of directly with consumers in violation of Liberty Mutual's internal policies.” (Statement of Charges, ¶¶ 24-27).
- Count II alleges that Haag violated Iowa Code section 522B.11(1)(p) for failing or refusing to cooperate in the Division’s investigation. (Statement of Charges, ¶¶ 31-33).

In support of the two Counts, the Division alleged the following relevant factual allegations in its Statement of Charges:

6. Haag applied for a nonresident insurance producer license with the Division by submitting a Uniform Application for Individual Producer License ("Uniform Application") through the National Insurance Producer Registry. In submitting the Uniform Application, Haag designated the Commissioner as an agent for service of process.

7. The Division issued Haag a license as a nonresident insurance producer on February 13, 2019, and assigned to Haag National Producer Number 19040857.

8. On January 22, 2019, Haag was hired by Liberty Mutual Insurance Company ("Liberty Mutual") as an Insurance Sales Advisor II at the Plano, Texas office. Haag acknowledged receipt of the Employee Handbook on that date.

9. Haag completed the following trainings:

- a. GRM U.S. Sales and Service Ethical Conduct Training - 8/27/21
- b. Code of Business Ethics and Conduct- 2/25/21.

10. Between March 9 and 30, 2022, the Global Retail Markets Division Compliance department ("GRM Compliance") of Liberty Mutual received four reports concerning Haag's suspicious conduct. The first report was submitted anonymously to the Liberty Mutual Global Ethics & Compliance Helpline, the second came from the Liberty Mutual Customer Response Center, the third came from Haag's supervisor, and the fourth came from Liberty Mutual's Director of State Operations for New York. Those reports alleged that Haag:

- a. Bound vehicle insurance policies with unlisted operators;
- b. Worked with an auto dealer, City World Auto Dealership in New York, to set up fraudulent policies wherein she advised the policyholder to "find any driver to list to lower the policyholder's insurance premium;"
- c. Bound at least 150 policies for customers in New York without call logs to support that outbound calls were made to the policyholders using Liberty Mutual's system in compliance with Liberty Mutual's internal policies; and
- d. Engaged in direct dealing with City World Auto Dealership by accepting cash in exchange for entering fraudulent information on insurance policies to achieve a significantly reduced premium for the policyholders and/or obtaining insurance for those who did not qualify for insurance due to not having a valid driver's license.

11. On March 15, 2022, Liberty Mutual's Talent Operations Consultation Department ("TOC") was made aware of the concerns of fraud concerning Haag.

12. On March 30, 2022, TOC engaged Liberty Mutual's Global Internal Audit Fraud Detection & Investigation Unit to scan Haag's company device. The scan revealed that between January 2, and April 5, 2022, 150 New York auto policy ID cards were sent via email to two City World Auto Dealership employees from

Haag's Liberty Mutual email address. GRM Compliance determined that this presented evidence of direct dealing, in violation of Liberty Mutual's internal policies.

13. On April 11, 2022, TOC and GRM Compliance interviewed Haag. GRM Compliance had identified thirteen policies which they believe were bound in violation of Liberty Mutual's internal policies, and discussed those policies with Haag. During the interview, Haag admitted to selecting billing dates as a day prior to the effective date in order to manipulate the billing premium to skip a billing cycle and binding auto policies with the named insured not listed as an operator, where those named insureds were not eligible because they did not have valid driver's licenses. When asked why there were notable operators unlisted and/or added who were not driving the vehicles or living in the household, Haag said the customers provided her with that information, and she accepted what they provided as true. GRM Compliance also found that Haag was conducting this business on her personal cell phone as opposed to the Liberty Mutual phone system in violation of Liberty Mutual's internal policies, thus explaining the absence of outbound calls to New York policyholders.

14. On April 11, 2022, following its interview with Haag, GRM Compliance determined that Haag violated the GRM U.S. Sales and Service Ethical Conduct Policy and the Code of Business Ethics and Conduct. Haag violated these policies by entering and binding policies with inaccurate information and information contrary to what the customer/policyholder provided and by conducting business in a manner inconsistent with Liberty Mutual's "values of honesty and integrity." GRM Compliance then recommended Haag be terminated for cause.

15. On April 13, 2022, Liberty Mutual terminated Haag for cause.

16. On April 26, 2022, Liberty Mutual notified the Division of its decision to terminate Haag for cause.

17. On May 16, 2022, a Division investigator sent a Request for Information letter ("RFI") and Termination for Cause questionnaire ("TFC") to Haag via the email address provided by Haag and listed in her licensing records. The RFI and TFC requested a response by June 7, 2022. The Division received no indication that the email delivery failed.

18. Haag did not respond to the Division's RFI and TFC. On June 7, 2022, the Division investigator sent a second RFI and TFC to Haag via FedEx to the residence address provided by Haag and listed in her licensing records. The second RFI and TFC requested a response by June 27, 2022.

19. On June 8, 2022, FedEx successfully delivered the second RFI and TFC to Haag's address. The package was signed for by "H. Haag."

20. Haag failed to respond to the Division's second RFI and TFC.

21. On August 2, 2022, the Division investigator sent an email to Haag at the email address indicated in her licensing records requesting Haag's cooperation by either answering the first RFI and TFC (attached to the email) or voluntarily surrendering her license. The email requested a response by August 4, 2022. The Division received no indication that the email delivery failed.

22. Haag failed to respond to this final communication from the Division investigator.

B. Respondent's Default

The Division filed and served its Statement of Charges against Haag on November 21, 2024. Haag is subject to the jurisdiction of the Insurance Commissioner pursuant to Iowa Code § 505.28. A Notice of Hearing was filed and served the same day by the Commissioner setting several deadlines for Haag. The Statement of Charges and Notice of Hearing were served by restricted certified mail, return receipt requested at Haag's address on file with the Division. Iowa Admin. Code r. 191-3.5(1)(a)(17A,507B) ("Delivery of the notice of hearing referred to in this rule constitutes commencement of the contested case proceeding."); Iowa Admin. Code r. 191-3.5(1)(b)(17A,507B) ("Delivery shall be accomplished . . . by certified mail, return receipt requested[.]"). (Attachment 1). Additionally, the Division's motion asserts that the Statement of Charges and Notice of Hearing were signed for by "Anya Ewans." (Attachment 2). Further, the "Notice Regarding Scheduling" set the prehearing conference for January 15, 2025, at 9:00 a.m., by telephone and a hearing on the merits for January 28, 2025, at 1:00 p.m. in person in Des Moines, Iowa and were both mailed and emailed to Haag.

Specifically, an Answer to the allegations was due on or before December 11, 2024. Iowa Admin. Code r. 191-3.5(3)(17A,507B) ("An answer shall be filed within 20 days of service of the notice of hearing unless otherwise ordered."). On December 11, 2024, Haag emailed the following:

Sarin Haag
Case # 117414
N/A on allegations listed.

(Attachment 3). Haag has failed to file a sufficient answer to the Statement of Charges. Iowa Admin. Code r. 191-3.5(3)(a)(17A,507B) ("An answer shall show on whose behalf it is filed and specifically admit, deny, or otherwise answer all material allegations of the notice of hearing or accompanying charging document. The answer shall state any facts deemed to show an affirmative defense and contain as many additional defenses as the pleader may claim.").

Haag did not request, nor did the Division consent to, Haag filing an answer beyond the twenty days of the service of the Statement of Charges. Counsel for the Division called and left a voicemail as well as followed up with emails to Haag on December 12 and 18, 2024. Haag did not respond according to the motion for default. (Motion for Default, ¶¶ 12-13). Indeed, the Division has not received any communication from Haag or a representative for Haag regarding

the Statement of Charges, including any appearance by Haag or a representative at the prehearing conference on January 15, 2024, other than the cryptic email sent on December 11, 2024.

The Division filed a Motion for Default on January 15, 2025, arguing that Haag was in default due to her failure to file an adequate Answer and failing to appear at the prehearing telephone conference. The Division requested a default finding in its favor on the two counts listed in the Statement of Charges. In addition, the Division requested the following relief: (1) the revocation of Haag's insurance producer license; (2) a cease and desist order prohibiting Haag from engaging in the conduct found in both Counts and the business of insurance in Iowa; (3) a civil penalty in the amount of \$5,000.00; and (4) an order requiring reimbursement of \$1,626.25 in investigation and prosecution costs. (Motion, p. 6). The motion for default was sent via First Class Mail to Haag at her last known address and also emailed to Haag.

Finally, Haag failed to respond to the Division's motion to default order within ten days as permitted by law. Iowa Admin. Code r. 191-3.15(2)(17A) ("Any party may file a written response to a motion within ten days after the motion is served, unless the time period is extended or shortened by the presiding officer. In ruling on a motion, the presiding officer may consider the motion unresisted, if no response is timely filed.").

CONCLUSIONS OF LAW

The Iowa legislature created the Division "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 regulate the licensing of insurance producers. Iowa Code § 505.8. *See also* Iowa Code chapter 522B.

Pursuant to this statutory authority, the Division promulgated various administrative rules governing the licensing and conduct of those in the business of insurance. For example, Chapter 10 of the Division's rules creates the specific rules governing the "qualification, licensure, and appointment of insurance producers." Iowa Admin. Code r. 191-10.1(515K,522B). Likewise, Chapter 15 of the Division's rules create the "minimum standards and guidelines" for essentially fair and honest practices in the business of insurance. Iowa Admin. Code r. 191-15.1(507B).

When the Division 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, the Division 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. Iowa Code § 522B.11(1). The sanction for the misconduct can vary based on the specific conduct at issue, but includes fines, prosecution costs, adverse action against a licensee, and other corrective action. *See e.g.*, Iowa Code §§ 505.8(10) ("the commissioner 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 the Division files a Statement of Charges against an individual, a contested case proceeding is commenced. In a contested case proceeding, all parties are entitled to reasonable notice of the hearing and the charges filed. Iowa Code §17A.12. The Division has adopted rules for delivery of notice to an individual. Service of a Notice of Hearing and Statement of Charges shall be made by personal service or by certified mail, return receipt requested, at least 15 days before the hearing date. Iowa Admin. Code r. 191-3.5(1)(b)(17A,507B). Additionally, Iowa Admin. Code r. 191-3.5(1)(c)(17A,507B) also provides that, for “persons regulated by the Division” who “have consented in writing to have the commissioner accept service of process on their behalf,” delivery of the Notice of Hearing is accomplished when the Commissioner signs the Notice of Hearing or Statement of Charges.

Upon receipt of the Notice of Hearing, the individual against whom charges are brought has 20 days to file an answer to the allegations and assert any affirmative defenses. Iowa Admin. Code r. 191-3.5(3)(17A,507B). “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.” Iowa Admin. Code r. 191-3.22(2)(17A).

If a party fails to appear or participate in a contested case proceeding after proper service of notice as provided in subrule 3.5(1), 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.

Iowa Admin. Code r. 191-3.22(1)(17A). Failing to file a required pleading, such as an adequate answer, is expressly identified as a form of lack of participation sufficient to justify a default. “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.” Iowa Admin. Code r. 191-3.22(9)(17A).

Here, Haag was properly served with the Statement of Charges and Notice of Hearing. In accordance Iowa Admin. Code r. 191-3.5(1)(b)(17A,507B), the Statement of Charges and Notice of Hearing were mailed to Haag via restricted certified mail on November 21, 2024. None of the mailings, including the email, have been returned as undelivered. The record indicates that Haag, or someone on her behalf, received the Statement of Charges, because someone signed for the certified mail and there was a terse email purportedly from Haag on December 11, 2024. There is sufficient evidence to constitute valid service under the Division’s rules.

Moreover, when Haag submitted her Uniform Application for Individual Producer License, she designated or consented in writing to have the Commissioner accept service of process on her behalf. (Statement of Charges, ¶ 6). Delivery is accomplished when the Notice of Hearing is signed by the commissioner. Iowa Admin. Code r. 191-3.5(1)(c)(17A,507B). As such, delivery of the Statement of Charges and Notice of Hearing were made on Haag on November 21, 2024. In addition, Haag has failed to file an adequate answer, attend the prehearing conference, or otherwise participate in this proceeding. Accordingly, under Iowa Admin. Code r. 191-3.22(17A) Haag may be found in default.

Further, the record indicates that the Division's Motion for Default should be granted in this case. The Division mailed the Statement of Charges to Haag via restricted certified mail. It mailed the relevant documents to the address that Haag was required to maintain with the Division. In addition, the Division emailed the relevant documents to Haag's email addresses listed with the Division. None of the relevant documents were returned to the Division as undelivered. With this record, it appears that Haag is making a choice not to participate. Given this, there is nothing in the record to suggest that a hearing on the merits is necessary to avoid an injustice, and the public is served by prompt resolution of this matter.

Finally, the allegations in the Statement of Charges establish that Haag engaged in actions that are in violation of Iowa law. Iowa Admin. Code r. 191-3.5(3)(c)(17A,507B) ("Any allegation in the notice of hearing or accompanying charging document not denied in the answer is considered admitted."); Iowa Admin. Code r. 191-3.15(2)(17A) ("In ruling on a motion, the presiding officer may consider the motion unresisted, if no response is timely filed."). Additionally, Haag failed to participate in the prehearing conference. Iowa Admin. Code r. 191-3.22(1)(17A) ("If a party fails to appear or participate in a contested case proceeding after proper service of notice as provided in subrule 3.5(1), 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."). In reaching this conclusion, this tribunal accepts the allegations in the Statement of Charges as true. Specifically, the allegations in the Statement of Charges demonstrate that Haag violated Iowa Code § 522B.11(1)(h) prohibiting fraudulent, coercive, or dishonest practices or untrustworthiness. Likewise, the allegations show a violation under Iowa Code § 522B.11(1)(p) for failure to cooperate with the Division's investigation. Accordingly, the Motion for Default is granted and the following relief appropriate. Iowa Admin. Code r. 191-3.22(9)(17A) ("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."); Iowa Code § 522B.11(5) ("The commissioner . . . may enforce the provisions and impose any penalty or remedy authorized by this chapter and chapter 507B against any person who is under investigation for, or charged with, a violation of either chapter even if the person's license has been surrendered or has lapsed by operation of law.").

ORDERS

IT IS HEREBY ORDERED:

- A. Sarin Haag is in default pursuant to Iowa Administrative Iowa Admin. Code r. 191-3.22(9)(17A) and all statements as pled in the Statement of Charges against Sarin Haag are deemed admitted as true for purposes of this decision;
- B. Sarin Haag's insurance producer license is revoked pursuant to Iowa Code §§ 522B.11 and 522B.17;
- C. Sarin Haag shall cease and desist from engaging in unfair or deceptive practices as alleged in Counts I and II and the business of insurance in this state pursuant to Iowa Code §§ 522B.11 and 522B.17;

- D. A civil penalty in the amount of \$5,000.00 is assessed, 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;
- E. Costs of the investigation and prosecution of this matter are assessed in the amount of \$1,626.25 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 sections 505.8.
- F. The in-person evidentiary hearing on the merits scheduled for January 28, 2025, is hereby cancelled.

IT IS SO ORDERED.

Dated this the 27th day of January, 2025.

cc: Colin Grace, Attorney for IID; colin.grace@iid.iowa.gov (By AEDMS)
Brooke Hohn, IID (By AEDMS)
Sarin Haag, 2526 Westbank Trail, Garland, TX 75042, shaag.haag@gmail.com (By mail and Email)

RESPONDENT RIGHTS

For a motion to vacate the default order, please see the requirements in Iowa Administrative Code rule 191-3.22(17A).

For an appeal to the Commissioner of Insurance, please see the requirements in Iowa Administrative Code rule 191-3.27(17A).

Case Title: IN THE MATTER OF SARIN HAAG

Case Number: 25IID0004

Type: Order - Abandonment/Default

IT IS SO ORDERED.

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

Forrest Guddall, Administrative Law Judge