

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 122828
DALLAS L. SCHWARZ,)	
NPN 20631529,)	ORDER AND CONSENT
DOB 07/15/XXXX,)	TO ORDER
)	
Respondent.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Dallas L. Schwarz, pursuant to the provisions of Iowa Code chapter 522B—Licensing of Insurance Producers, the Commissioner enters the following Order and Consent to Order (“Consent Order”):

I. 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. Dallas L. Schwarz (“Schwarz”) is an individual with a last-known residence, mailing, and business address of 2201 Jackson Street, Sioux City, Iowa 51104.
3. Schwarz was licensed in the state of Iowa as a resident insurance producer on March 6, 2023, under National Producer Number 20631529. Schwarz surrendered his license on July 27, 2023.
4. Pursuant to Iowa Code § 522B.11(5), the Commissioner may enforce the provisions of Iowa Code chapter 522B “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.”

5. Pursuant to Iowa Code § 505.28, Schwarz consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapter 522B.

6. From on or about July 13, 2023, to present, Schwarz engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, revocation, or refusal to issue or renew Schwarz's insurance producer license; cease and desist orders; and civil penalties or other relief under Iowa Code chapters 505 and 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

7. Schwarz applied for a resident 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, Schwarz designated the Commissioner as an agent for service of process.

8. The Division issued Schwarz a license as a resident insurance producer on March 6, 2023, and assigned to Schwarz National Producer Number 20631529.

9. Schwarz was appointed with Performance Matters Associates ("PMA"), selling policies from Washington National Insurance Company ("Washington National") from March 6, 2023, until he was terminated for cause on or about August 17, 2023.

The R■■■■s

10. D■■■■ and R■■■■ R■■■■ are an elderly married couple living in Corning, Iowa.

11. Mr. R■■■■ purchased an accidental injury policy through Washington National that included a return-of-premium clause. Under the return-of-premium-clause, all premium payments would be returned to Mr. R■■■■ if he made no claims during the policy period.

12. Washington National provides the return of premium funds by depositing the funds into what it calls a "Benefit Now" checking account and delivering a checkbook for that account to

the policyholder. The policyholder can then write checks from the account until the returned funds are exhausted.

13. Mr. R [REDACTED]'s policy period ended on June 27, 2023, and he had made no claims.

14. Washington National provided a Benefit Now account kit ("BNA Kit") to PMA, which was to be delivered in person to Mr. R [REDACTED]. The BNA Kit contained information about the Benefit Now account and twelve blank checks for the account.

15. On or around June 29, 2023, Schwarz called the R [REDACTED]s on behalf of Washington National, informing them they would receive \$13,256.11 in return of premium. Schwarz advised that he needed to visit the R [REDACTED]s' home to deliver the Benefit Now account information and associated checkbook. Schwarz and the R [REDACTED]s were unable to find a day that worked, and Schwarz left his phone number with the R [REDACTED]s to call him back when they were available.

16. On July 13, 2023, Schwarz arrived unannounced to the R [REDACTED]s' home. Mr. R [REDACTED] was at work, but Mrs. R [REDACTED] was home. While at the R [REDACTED]s' home, Schwarz gave Mrs. R [REDACTED] a check from the Benefit Now account, with only the amount filled in. Schwarz wrote the amount of \$7,500.00 on the check he gave Mrs. R [REDACTED] and told her that the R [REDACTED]s could make the check payable to themselves.

17. When Mrs. R [REDACTED] asked Schwarz why the check was for less than the full amount owed as indicated in their phone call, Schwarz stated that he did not know what happened but insisted she would only be receiving \$7,500.00.

18. Schwarz directed Mrs. R [REDACTED] to sign a delivery receipt acknowledging receipt of funds. The amount of check received was not filled out on the delivery receipt Schwarz presented to Mrs. R [REDACTED] for signature.

19. Schwarz also signed the delivery receipt as the agent. The delivery receipt signed by Schwarz, and submitted to Washington National, incorrectly indicates that Mrs. R [REDACTED] received a check for \$13,256.11, the full benefit amount.
20. Schwarz did not give Mrs. R [REDACTED] an intact copy of the delivery receipt.
21. Schwarz did not give Mrs. R [REDACTED] any other checks or documentation regarding the Benefit Now account.
22. Schwarz went out to his truck and came back to the residence carrying a plastic bag of ripped paper trash. He asked Mrs. R [REDACTED] to throw the trash away and left.
23. Schwarz drove from the R [REDACTED]'s home to a bank in Lenox, Iowa. While there, he attempted to cash a check from the R [REDACTED]'s Benefit Now account. The check was dated July 13, 2023, made payable to himself, in the amount of \$5,756.00, and contained a signature purporting to be Mr. R [REDACTED]'s signature. On the signature line, the check also contained a crossed-out signature next to the signature purporting to be Mr. R [REDACTED]'s signature.
24. The bank did not cash the check because Schwarz did not have his own account with the bank and the teller was suspicious of the crossed-out signature on the check's signature line.
25. Schwarz initially asked if any smaller amount could be cashed, but then agreed to open a bank account. While going through the process of opening an account, Schwarz told bank employees that the check was his portion of an insurance benefit, that Mr. R [REDACTED] crossed out the signature, and Schwarz renewed his request to obtain a smaller amount of money.
26. The bank put a seven day hold on the funds.
27. Schwarz left without any money and then called the bank to cancel his new account.
28. After Schwarz left the bank, the bank teller, suspicious of Schwarz's behavior, consulted with the bank VP who telephoned Mrs. R [REDACTED] to verify that Mr. R [REDACTED] had written a check

payable to Schwarz. Mrs. R [REDACTED] told the bank that Mr. R [REDACTED] had not written or signed a check payable to Schwarz. Mrs. R [REDACTED] explained that, on that day, Mr. R [REDACTED] could not have signed the check because he was at work and not even available by telephone.

29. Thereafter, Mrs. R [REDACTED] checked the ripped papers that Schwarz had given her to throw away. The torn papers included an account statement indicating Mr. R [REDACTED] was to receive \$13,256.11 in his Benefit Now account, blank checks associated with the account, and the pink carbon copy of the delivery receipt that should have been left with the R [REDACTED]s as a copy for their records.

30. The R [REDACTED]s filed a complaint.

31. Washington National stopped payment on the check Schwarz attempted to cash and reissued funds to Mr. R [REDACTED].

32. Two days after Schwarz went to the R [REDACTED]s' home and bank in an attempt to cash the check he made payable to himself, a compliance analyst with Washington National interviewed Schwarz about his actions as described in paragraphs ten (10) through thirty-one (31) herein. Schwarz admitted to the investigator that he wrote a check, payable to himself, using Mr. R [REDACTED]'s BNA checkbook and that he attempted to cash the check at a bank. Two days after his conversation with the compliance analyst, Schwarz was interviewed by the insurer's SIU unit. During this second interview, Schwarz alleged that he suffers from multiple personality disorder and blacked out during his July 13, 2023, conduct.

33. Schwarz voluntarily surrendered his insurance producer license on July 27, 2023.

Criminal Prosecution

34. On October 30, 2023, Schwarz was charged in Taylor County, Iowa under case number FECR005294 with the following counts:

- Count I: Insurance Fraud – Presenting False Information (Class D felony) Iowa Code § 507E.3(2)(A);
- Count II: Forgery (Class D felony) Iowa Code § 715A.2(2)(A);
- Count III: Fraudulent Sales Practice Under \$10,000 (Class D felony) Iowa Code § 507E.3A(1); and
- Count IV: Theft 5th Degree Against Older Individual (Serious Misdemeanor) Iowa Code § 714.2A(1)(E).

35. Schwarz had an initial appearance on November 28, 2023, and entered a written arraignment on December 18, 2023.

36. On April 16, 2024, Schwarz pled guilty to Insurance Fraud, a Class D felony. On May 21, 2024, Schwarz received a deferred judgment and was sentenced to three years of supervised probation.

III. CONCLUSIONS OF LAW

COUNT I

Using Fraudulent, Coercive, or Dishonest Practices or Demonstrating Incompetence or Untrustworthiness

37. Under Iowa Code § 522B.11(1)(h), an insurance producer license may be subject to probation, suspension, or revocation and civil penalties may be levied for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

38. Schwarz used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when Schwarz, without permission, wrote himself a check for \$5,756.00 from Mr. R [REDACTED]'s Benefit Now account in an attempt to improperly withhold, misappropriate, or convert Mr. R [REDACTED]'s returned premium funds for Schwarz's own benefit.

39. Schwarz used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when Schwarz lied to Mrs. R [REDACTED] about the amount that Mr. R [REDACTED] was owed in return of premium.

40. Schwarz used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when Schwarz instructed Mrs. R [REDACTED] to sign a blank delivery receipt acknowledging receipt of funds and later filled in an amount that he knew was false.

41. Schwarz used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when he failed to provide the complete Washington National BNA Kit to the policyholder in an attempt to hide his scheme.

42. Schwarz used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when Schwarz destroyed important documentation regarding the return-of-premium benefit in an attempt to hide his scheme.

43. Schwarz used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when he failed to leave a copy of the delivery receipt specifying the full return-of-premium amount that should have been remitted to Mr. R [REDACTED].

44. Schwarz demonstrated incompetence, untrustworthiness, or financial irresponsibility when Schwarz pled guilty to Insurance Fraud — Presenting False Information, a class “D” felony, in violation of Iowa Code § 507E.3(2)(a) and the Iowa District Court for Taylor County accepted the guilty plea. Schwarz’s guilty plea was based on his action in causing a return of premium delivery receipt containing false information to be presented to an insurer with the intent to defraud the insurer. Specifically, the benefit amount delivered to Mrs. R [REDACTED] should

have been \$13,256.11 when, in fact, Schwarz only delivered a benefit check in the amount of \$7,500.

45. Schwarz's acts and practices violated Iowa Code § 522B.11(1)(h) subjecting Schwarz to probation, suspension, or revocation of Schwarz's insurance producer license, the imposition of a civil penalty, an order requiring Schwarz 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 II
Felony Conviction

46. Under Iowa Code § 522B.11(1)(f), a license may be subject to probation, suspension, or revocation and civil penalties may be levied against a producer for having been convicted of a felony.

47. Iowa Code § 522B.11(1)(f) does not define "convicted of a felony."

48. The Iowa Supreme Court has held that the term "conviction" should be viewed in a narrow sense and not include deferred judgments when reviewing statutes designed to enhance punishment. *Daughenbaugh v. State*, 805 N.W.2d 591, 598 (Iowa 2011) (ruling that a person is not "convicted of" a public offense for purposes of postconviction relief when the person pleads guilty and receives a deferred judgment.). However, statutes meant to protect the public should read "conviction" in its broader sense and may include deferred judgments. *Id.*

49. The purpose of statutory licensing schemes such as insurance producer licensing is to protect the public health, safety, and welfare and therefore the licensing statutes should be liberally construed. *In the matter of Diamond*, No. 96975, 2019 WL 5677529 (Iowa Ins. Div.,

Oct. 23, 2019); *In the matter of Michael Nulph*, No. 94689, November 7, 2017, 2017 WL 6504599 (Iowa Ins. Div.).

50. The term “convicted” within the context of Iowa Code § 522B.11(1)(f) licensing authority should be construed broadly to include deferred judgments.

51. On May 21, 2023, Schwarz received a deferred judgment and was sentenced to three years of supervised probation.

52. Schwarz’s acts and practices violated Iowa Code § 522B.11(1)(f), subjecting Schwarz to probation, suspension, or revocation of Schwarz’s insurance producer license, the imposition of a civil penalty, an order requiring Schwarz 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.

IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 522B:

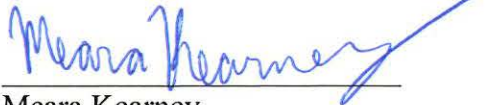
- A. Schwarz’s resident insurance producer license is immediately revoked pursuant to Iowa Code § 522B.11; and
- B. Schwarz shall immediately cease and desist from engaging in the business of insurance in this state pursuant to Iowa Code § 522B.17.
- C. These orders may be enforced under Iowa Code chapter 522B.17.

SO ORDERED on this 13th day of March, 2025.

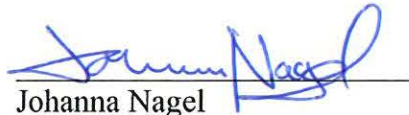


DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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ATTORNEYS FOR THE DIVISION

Copy to:

Dallas Schwarz
2201 Jackson Street
Sioux City, Iowa 51104
dschwarz2021@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 March 13, 2025.

By: First Class Mail () Personal Service
 Restricted certified mail, return receipt Email
() Certified mail, return receipt () _____

Signature: Brooke Hohn
Brooke Hohn

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 the Commissioner may issue further orders as he deems appropriate.

NOTICE REGARDING REISSUANCE

Upon entry of this Order, your insurance producer license will become inactive due to revocation. While your license is inactive, you are prohibited from conducting the business of insurance in the State of Iowa. Your license will not be active until the Division makes the determination to reissue your insurance producer license by order pursuant to Iowa Administrative Code rule 191-10.10.

Reissuance of your insurance producer license is subject to the discretion of the Commissioner. Additionally, it will not be granted unless and until you have complied with the terms of this Order, made the appropriate Application for Reissuance with the Division, 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 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.

CONSENT TO ORDER AND AGREEMENT

I, Dallas L. Schwarz, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. I understand and acknowledge I have the right to consult with an attorney on this matter if I choose to do so, and I acknowledge that the Division cannot provide me an attorney nor can the Division provide me legal advice. By executing this Consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

Dallas schwarz

Dallas L. Schwarz, Respondent

03/06/2025

Date

2201 jackson street sioux city iowa

Address of Signatory

Subscribed and sworn before me by Dallas Schwarz on this 8th day of March, 2025.



DAULTON JOHNSON
Commission Number 854611
My Commission Expires
03/13/2027

Daulton Johnson
Notary Public for the State of Iowa