

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF

OCTAVIA R. RELIFORD
NPN 17973905,
DOB 1/29/XXXX,

Respondent.

)
) Division Case No. 117417
)
) **FINDINGS OF FACT,**
) **CONCLUSIONS OF LAW, AND**
) **FINAL ORDER**
)
)**DECISION**

Respondent Octavia R. Reliford's ("Respondent") nonresident insurance producer license is revoked, effective immediately. Respondent is ordered to cease and desist from soliciting or selling insurance in this state, ordered to pay \$1,500.00 in civil penalties, and ordered to pay \$6,112.50 in costs of the investigation and prosecution due to her failure to cooperate with the Division's investigation and update her address.

On September 25, 2023, the Iowa Insurance Division ("Division") filed a statement of charges against Respondent for violations of Iowa Code chapter 522B. That same day, the Commissioner issued a Notice of Hearing setting this matter for a prehearing conference on December 7, 2023, and a hearing on December 14, 2023. Respondent filed an answer on October 15, 2023, denying the charge of failure to cooperate but admitting the charge of failure to update her address.

The hearing was continued on two occasions. The prehearing conference was held on January 4, 2024, and the hearing was held on February 19, 2024. The hearing was held in-person at the offices of the Iowa Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50135 on February 19, 2024. The purpose of the hearing was to receive testimony and evidence regarding the Iowa Insurance Division's request to revoke Respondent Olivia

Reliford's nonresident producer license and for the payment of civil penalties. The Division was represented by compliance attorney Colin Grace. Respondent did not appear in person or virtually for the hearing. Commissioner of Insurance Doug Ommen appointed Deputy Insurance Commissioner Andrew Hartnett to serve as the hearing officer to preside over the hearing.

Pursuant to Iowa Administrative Rule 191—3.27 (17A) this decision is now final. The proposed findings of fact, conclusions of law, and final order of Deputy Commissioner Hartnett is adopted in its entirety.

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:

I. FINDINGS OF FACT

At the hearing, the following evidence was received: Complaint Analyst David Sullivan testified for the Division, and the Division's Exhibits 1-7 and 9-13 were admitted. Respondent did not appear or present evidence. Based upon the evidence in this record, we find the following:

1. Respondent is an individual with a residence address in her licensing record of 6254 Morley Avenue, Los Angeles, California 90056. Ex. 1, p. 2.
2. Respondent is and has been licensed in the state of Iowa as a nonresident insurance producer since October 12, 2021, under National Producer Number 17973905. Ex. 1, p. 2.
3. Respondent was a contracted agent for Transamerica Life Insurance Company ("Transamerica") from March 19, 2018 until she was terminated for cause on December 2, 2022. Ex. 3, p. 13 & Ex. 11, p. 1.

4. On May 26, 2020, Respondent applied for a partial disability insurance policy on her own behalf, listing herself as the writing agent. Ex. 4. Transamerica issued the policy under Certificate No. DI8081130. Ex. 5.

5. On July 2, 2021, Respondent filed a claim for disability benefits. Ex. 6; Ex. 7. Respondent claimed that she was injured in an automobile accident and was being treated for lower back and neck pain. Ex. 6. P. 1-2. Under the section entitled “Employer’s/Business Entity’s Statement,” the company name is listed as “AFL-CIO,” and her job title/major job duties are described as “sales rep for salon and medical equipment.” Ex. 6, p. 4.

6. On her claim form, Respondent listed her address as 10736 Jefferson Boulevard, #762, Culver City, California 90230. Ex. 6, p. 1. This Culver City address differs from the address listed in Respondent’s licensing records. ¶1, *supra*; Ex. 1, p. 2.

7. Transamerica paid out \$12,133.33 in claims benefits. Ex. 7.

8. In August 2022, the Financial Crimes Unit (“FCU”) of Transamerica performed a “book of business review” and discovered several red flags associated with her claim. Ex. 10, p. 1.

Among the red flags FCU noted were the following:

- a. Respondent filed for nearly the entire six-month maximum time frame allowed per the policy terms while reporting only minor injuries. *Id.*
- b. Respondent provided neither a police report, nor a signed copy of the HIPAA form for her claim. *Id.*
- c. A suspicion that the signature above the employer line on the claim form was completed by another Transamerica agent. *Id.*
- d. The employer section lists Respondent as a sales representative for salon equipment under the group AFL-CIO despite her appointment as an agent for Transamerica. *Id.*

- e. While the employer section shows a signature of an “Anthony Welks” with a title of HR manager, the contact telephone number was actually the mobile number of terminated Transamerica agent Christian Jefferson. *Id.*
 - f. Multiple claims submitted for other insureds under group AFL-CIO also showed Christian Jefferson’s phone number as the contact for the employer. *Id.*
9. The FCU also investigated Respondent’s spouse, Robert Reliford, for suspicious disability claim activity. Ex. 10, p. 1. Respondent was the writing agent on her spouse’s certificate. Ex. 10, p. 1.
10. On October 21, 2022, the FCU sent a request for Respondent to provide a statement regarding her personal claims and claims under her husband’s certificate. Ex. 9. Respondent did not respond. Ex. 10, p. 1.
11. On December 2, 2022, Transamerica terminated Respondent’s appointment for cause due to claim fraud. Ex. 11.

Division Investigation

12. In January 2023, the Division received notification from Transamerica about Respondent’s termination for cause. Tr. 14:2.
13. On January 26, 2023, David Sullivan, an investigator with the Division, requested information from Ms. Reliford by sending her a Termination for Cause questionnaire (“TFC”) as well as the questions Transamerica had sent to Ms. Reliford that she had not answered. Tr. 23:4-8; Ex. 2, p. 1.
14. The TFC questionnaire is a set of questions the Division uses to elicit information and evidence from agents after they have had their appointment with a company terminated for cause. Tr. 13:10-22. As part of the TFC questionnaire, the responding agent must sign and date

the form as a confirmation “that all above answers are true, correct and accurate to the best of [the responding agent’s] knowledge.” Ex. 2, p. 7; Tr 29:11-17.

15. The request for information was sent via Fedex to both the Morley Avenue address listed on her licensing application as well as the Jefferson Boulevard address indicated on her claim form.¹ Tr. 22:17-23:1; Ex. 2, p. 1.

16. On January 30, 2023, the Division received confirmation that the request for information sent to the Culver City address was delivered and signed for by an “E. Alvarado.” Ex. 2, p. 1. This address is for a United Parcel Service (“UPS”) storefront that accepts and sorts mail for customers who have purchased a box at the location. Ex. 2, p. 1.

17. On February 8, 2023, the request for information sent to Morley Avenue was returned to the Division by FedEx as “not deliverable.” Ex. 2, p. 2.

18. On February 14, 2023, the Division sent Respondent another request for information at her Culver City address via USPS certified mail. Tr. 24:1-5; Ex. 2, p. 2.

19. On February 21, 2023, Respondent responded via email from her email address at oreliford@gmail.com. Ex. 12, p. 1. Respondent provided a three-paragraph response that stated she was a Transamerica agent, had written policies for family members, and described her interaction with her “upline” Christian Jefferson to help her file her husband Robert’s claim for benefits under his disability policy. *Id.*

20. Respondent’s email did not specifically address most of the questions posed by the division. For example, question 2 asked for a variety of information about Respondent’s employment, including the start and end date, Respondent’s job title, and the training

¹ The requests for information were sent to 10736 Jefferson Boulevard, Culver City, CA 90230. Ex. 2, p. 1. The address Ms. Reliford put on her claim form is 10736 Jefferson Boulevard #736, Culver City, CA 90230. Ex. 6, p. 1. This difference was not raised by Ms. Reliford or noted by the parties. Moreover, it appears immaterial since that address is UPS Store location that sorts mail for those who have purchased boxes at the store. Ex. 2, p. 1.

Respondent received.² Ex 2, p. 5. Much of this question two was not answered. Ex. 12, p. 1. Eight other questions were not specifically answered – Respondent, for example, did not specifically describe how her actions served to protect the public interest (question 3) or how her actions did or did not demonstrate untrustworthiness (question 8). Ex 2, p. 5; Ex. 12, p. 1.

21. Additionally, Respondent failed to respond to most of the questions Transamerica had previously asked, which the Division included in its request. Respondent did not answer who her current employer was, who her husband's current employer was, what her relationship to Anthony Welks was, or whether she or her husband were members or employees of the AFL-CIO. Ex. 2, p. 6; Ex. 12, p. 1.

22. Additionally, the general statement Respondent did provide did not address why she did not cooperate with Transamerica's investigation. Tr. 26 9-11; Ex. 12, p. 1.

23. On February 22, 2023, Sullivan, the Division investigator, responded to Respondent's email, informing her that her partial response was not satisfactory and that the Division required her to fully complete the TFC questionnaire and provide supporting documentation by February 27, 2023. Ex. 12, p. 2.

24. On February 24, 2023, Respondent replied to the Division's email with a single paragraph. Ex. 12, p. 2. This response referenced a claim she made after being rear-ended. *Id.* The paragraph did not explain why her first email referenced a claim by her husband and her second email was about a claim she made. *Id.* at 1-2. The February 24 email also incorrectly asserted that Christian Jefferson was the writing agent of her disability policy. *Id.* at 2; Ex. 4, p. 2; Tr. 28:22-23. The February 24 email also did not shed any additional light on any of the questions noted above in paragraphs 20-22. Ex. 12, p. 2.

² There are two questions numbered "2" on page 5 of Exhibit 2. This sentence references the first question 2, which has subparts (a) through (j).

25. Less than an hour after receiving Respondent's February 24 email, the Division investigator responded to Respondent's email advising again that her partial response was not satisfactory, and that the Division required her to fully complete the TFC questionnaire and provide supporting documentation by February 27, 2023. Ex. 12, p. 3.
26. This email also noted that a failure to respond would be treated as a failure or refusal to cooperate in an investigation by the commissioner in violation of Iowa Code Section 522B.11(p). Ex. 12, p. 3-4.
27. On March 1, 2023, the Division received confirmation from USPS that the February 14 request for information was successfully delivered to the Culver City address and signed for by Jay J. Mewvarik. Ex. 2, p. 2.
28. On March 1, 2023, the Division investigator sent an email to Respondent at oreliford@gmail.com, the address from which Respondent had been corresponding, and again advised her that her partial responses to date were not satisfactory and that the Division required her to fully complete the TFC questionnaire and provide supporting documentation by March 2, 2023. Ex. 12, p. 2.
29. On March 13, 2023, the Division investigator sent yet another email to Respondent via oreliford@gmail.com advising that the Division simply wanted to obtain her side of the events that led to her termination for cause. Ex. 12, p. 2. The email further advised that her lack of cooperation with the Division's investigation was in itself a violation of Iowa Code, and that the Division required a response by March 20, 2023. Ex. 12, p. 2-3.
30. The March 13 email specifically asked for communication regarding (1) whether she intended to answer the TFC questionnaire; (2) whether she intended to remain licensed in her

home state; (3) whether she intended to remain licensed in Iowa; and (4) whether she would be willing to voluntarily surrender her license. Ex. 12, p. 3.

31. On March 20, 2023, Respondent failed to timely respond to the Division's requests. Tr. 33:6.

32. Respondent did not provide further response to the Division after March 20, 2023. Tr. 33:13.

33. The Division incurred \$6,112.50 in costs in investigating this matter, filing it, and preparing for hearing. Ex. 13, p. 2. This breaks down into 47 hours of attorney time, billed at \$110 per hour, and 14.50 hours of investigative time, billed at \$65 an hour. Ex. 13, p. 2-3.

II. APPLICABLE LAW

34. 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.

35. Pursuant to Iowa Code § 505.28, any person who commits an act governed by, among other statutes, Iowa Code 522B, consents to the jurisdiction of the Commissioner of Insurance.

36. The "commissioner may . . . revoke . . . an insurance producers' license for any one or more of" of the reasons enumerated in the statute. Among those reasons enumerated in the statute is "[f]ailing or refusing to cooperate in an investigation by the commissioner." Iowa Code § 522B.11(1)(p).

37. Another reason the Commissioner may refuse to issue a license enumerated in the statute is "using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere." Iowa Code § 522B.11(1)(h).

38. Violations of 522B.11(1)(h) and (p) also subject the violator to the imposition of civil penalties. Iowa Code § 522B.11(1); § 522B.17(2).

39. Licensees must inform the commissioner of any “change of legal name or address within thirty days of the change.” Iowa Code § 522B.6(7). Producers should use the NIPR Gateway to inform the commissioner of such a change. Iowa Administrative Code rule 191—10.12(2).

40. The Commissioner may assess costs of an investigation or proceeding after a hearing in order to ensure compliance with the laws of this state. Iowa Code § 505.8(10).

III. CONCLUSIONS OF LAW

COUNT I

Failure to Cooperate

41. 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.” *Burns v. Board of Nursing of State of Iowa*, 528 N.W.2d 602, 604 (Iowa 1995). The purpose of statutory licensing schemes such as 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.).

42. Respondent failed to cooperate in an investigation by the commissioner in violation of Iowa Code § 522B.11(1)(p) by failing to offer any answer to certain questions posed by the Division; failing to specifically answer other questions posed by the Division; and by ceasing to respond to the Division.

43. More particularly, the investigation that led Transamerica to terminate Respondent's appointment raised questions about whether Respondent had committed dishonest practices or demonstrated untrustworthiness in violation of Iowa Code § 522B.11(h).

44. These questions arose because Respondent was both the writing agent and the beneficiary of a disability policy she wrote, and that policy listed her as a sales representative under the AFL-CIO despite being an appointed agent with Transamerica. Ex. 10, p. 1. Additionally, the phone number listed on the employer section of the policy was listed as belonging to Anthony Welks but was in fact the cell phone number of Christian Jefferson, a terminated Transamerica agent. *Id.*

45. The Transamerica investigation raised these questions but included no response from Respondent because she failed to participate in the investigation. Conclusively determining whether these issues raise untrustworthiness concerns in violation of Iowa Code § 522B.11(h) requires a response from Respondent. What if, for example, Christian Jefferson, having been terminated by Transamerica, now works at the salon where Respondent is a sales representative? We emphasize the phrase "what if" because there is nothing in the record to suggest this innocent outcome, but Respondent's failure to meaningfully participate in the investigation prevents us from having a full factual record on which to determine whether she violated Iowa Code § 522B.11(1)(h).

46. Respondent sent emails on Feb. 21 and Feb. 24 that largely blamed Jefferson for any irregularities in her or her husband's claim. As noted above, she did not respond to specific questions regarding her employment, which might have clarified the spa/AFL-CIO issues. She also did not clarify why Christian Jefferson's cell phone is on the employer section of the claim forms or who Anthony Welks is.

47. Moreover, after sending two emails, the Division's investigator sent three more emails trying to elicit more information. Respondent failed to reply. Even if she thought the four paragraphs she submitted over two emails was fully responsive, the three subsequent emails from the Division made very clear it was still seeking additional information. In spite of this, Respondent failed to reply.

48. Respondent's failure to answer a variety of questions in her two email responses and her failure to reply at all to three subsequent attempts elicit more information constitutes a violation of Iowa Code § 522B.11(1)(p).

COUNT II³

Failure to Update Address

49. Respondent admitted that she failed to update her address in her Answer.

50. Respondent's admission makes sense because correspondence to the address provided by Respondent and recorded in Respondent's producer licensing record for residence, mailing, and business is 6254 Morley Avenue, Los Angeles, California 90056 was returned as undeliverable.

51. In fact, the TFC questionnaire Respondent received was sent to a different address in Culver City, which was the address Respondent used on the claim form she submitted to Transamerica.

52. Respondent did not update her address in the NIPR Gateway within 30 days in violation of Iowa Code § 522B.6(7) and Iowa Administrative Code rule 191—10.12(2).

³ This Count was listed as Count III in the petition, but since the petition only included Counts I and III with no Count II, we have renumbered it here.

IV. ORDER

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

- A. Respondent's nonresident insurance producer license is immediately revoked pursuant to Iowa Code § 522B.11;
- B. Respondent, pursuant to Iowa Code § 522B.17, shall immediately cease and desist selling, soliciting, or negotiating insurance in the state of Iowa;
- C. Respondent shall, within 30 days of this Order, pay a civil penalty in the amount of \$1,500.00, 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, 522B.6(7), 522B.11, and 522B.17; and
- D. Respondent shall, within 30 days of this Order, pay the costs of investigation and prosecution of this matter in the amount of \$6,112.50, 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.
- E. These orders may be enforced under Iowa Code chapters 507B and 522B, including but not limited to Iowa Code §§ 507B.7 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 21st day of May, 2025.



DOUGLAS M. OMMEN
Commissioner of Insurance

Copies to:

Colin Grace
Enforcement Attorney
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
ATTORNEY FOR DIVISION

Octavia Reliford
6254 Morley Avenue
Los Angeles, California 90056
and
10736 Jefferson Boulevard
Culver City, California 90230
oreliford@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 May 21, 2025.

By: ☒ First Class Mail ☐ Personal Service
☒ Restricted certified mail, return receipt ☒ Email, by consent
☐ Certified mail, return receipt ☐

Signature: _____

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 may issue further orders as it 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. 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 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 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 violations.