

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)

Thomas J. Finnegan)

National Producer License Number:)
6857874)

**ORDER OF
SUMMARY SUSPENSION and
OPPORTUNITY FOR HEARING**

Division Docket No.: 68201

Pursuant to Iowa Code sections 17A.18A and IAC 191-3.31, this matter comes before the Commissioner of Insurance upon an application by the Iowa Insurance Division for an Order of Summary Suspension of the insurance producer license of Thomas J. Finnegan.

PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Susan E. Voss, administers and enforces the Iowa Licensing of Insurance Producers Act, Chapter 522B, pursuant to Iowa Code § 505.8 (2009).

2. Thomas J. Finnegan (Finnegan) is an individual with a last known mailing address of 1532 Andover Court, Cedar Falls, IA 50613.

3. Finnegan has engaged in acts and practices within the state of Iowa constituting violations of Iowa Code chapter 522B and any rule or order adopted or issued pursuant to Iowa Code chapter 522B. The Commissioner of Insurance is authorized to issue this Order of Summary Suspension pursuant to Iowa Code sections 17A.18A, 522B.11 and IAC rule 191-3.31.

FACTUAL BACKGROUND

Reasonable evidence exists to demonstrate the following:

4. Finnegan is licensed as a resident insurance producer in the State of Iowa.

5. Finnegan solicits and sells insurance products in Iowa.

6. Finnegan worked as a manager for ABC Insurance Agency (ABC) in Hudson, Iowa.

7. Finnegan as manager was responsible for agency receipts, disbursements, bank accounts and the accounting system.

8. The primary revenue sources for ABC were the sales of new insurance policies, renewal of existing policies and commissions from those sales.

9. Finnegan was given his annual review in February, 2010.

10. Finnegan was questioned about the decrease in sales and cash advances as part of this review.

11. Finnegan admitted in response to these inquiries that he had a gambling problem and had been embezzling funds from ABC.

12. Finnegan admitted in an e-mail dated March 2, 2010 to Randall K. Druvenga, President of First Maxfield Mutual, that he had converted funds to his own personal use from ABC totaling \$40, 822.53.

13. A subsequent audit conducted by ABC indicates that Finnegan between September, 2008 and his discharge on March 11, 2010, may have actually converted \$57,946.42 to his own personal use.

14. Finnegan was charged with Theft in the First Degree for these actions by the Black Hawk County Attorney's office in Waterloo, Iowa.

VIOLATIONS OF LAW

15. The Division realleges and incorporates by reference paragraph 1-14 above as if fully set forth herein.

16. Iowa Code section 522B.11(1)(d) states that the commissioner may suspend or revoke an insurance producer's license for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.

17. Iowa Code section 522B.11(1)(h) states that the commissioner may suspend or revoke an insurance producer's license for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

THE PUBLIC SAFETY AND WELFARE REQUIRE EMERGENCY ACTION, since it is likely that Finnegan will continue to access, convert, misappropriate or withhold customer and insurance company funds and demonstrate untrustworthiness and financial irresponsibility in the conduct of business in the State of Iowa. The commissioner has authority to order the summary suspension of the insurance producer license of an individual under Iowa Code sections 17A.18A and 522B.11 (2009) and Iowa Administrative Code 191-3.31.

THEREFORE, IT IS ORDERED THAT:

1. The Iowa insurance producer license of Finnegan is suspended immediately;
2. Finnegan shall immediately cease and desist from participating in the business of insurance in Iowa;

3. The failure of Finnegan to request a hearing within 30 days of the date of this Order of Summarily Suspension shall be deemed to be a waiver of the right to a hearing and result in the entry of an Order of Revocation of Insurance Producer Registration.

For the Iowa Insurance Division,



James Mumford
First Deputy Commissioner of Insurance

6/24/2010
Date

NOTICE OF RIGHT TO REQUEST HEARING

NOTICE IS HEREBY GIVEN that Finnegan or any individual representing Finnegan may request a hearing in this matter. This request must be in writing and must be filed within thirty (30) calendar days of the date of this Order with John Leonhart, Enforcement Attorney, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319. A notice of the hearing shall be prepared and shall be given at least fifteen (15) days before the date of the hearing unless the parties agree to an earlier date. The hearing shall be held within forty-five (45) days after the date of the notice of the hearing unless extended by the presiding officer for good cause with at least fifteen days notice to the parties. The resulting hearing will be held in accordance with Iowa Code Chapter 17A (2009).

NOTICE REGARDING FAILURE TO REQUEST A HEARING

If you fail to request a hearing within thirty (30) days of the date of this Order of Summary Suspension, the Order shall be a final Order of the Commissioner of Insurance and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

NOTICE REGARDING EXHAUSTION OF ADMINISTRATIVE REMEDIES AND RIGHT TO SEEK JUDICIAL REVIEW

The failure to request a hearing can constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order pursuant to Iowa Code chapter 17A after the Order becomes final. The Order becomes final thirty (30) days after it is issued if you do not timely request a contested case hearing, or following hearing if you do timely request a contested case hearing.

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that any person who willfully violates this order shall be deemed in contempt of the order pursuant to Iowa Code section 522B.17. 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 the person in an amount not less than three thousand dollars but not greater than ten thousand dollars per violation and may issue further orders as it deems appropriate.

SENT BY RESTRICTED CERTIFIED AND FIRST CLASS MAIL TO:

Thomas J. Finnegan
1532 Andover Court
Cedar Falls, IA 50613

www.ck12.org