

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 88796
)	
SUMAN K. PATEL)	ORDER AND CONSENT
NPN 14761442)	TO ORDER
DOB 10/28/XXXX)	
Respondent)	

COMES NOW the Iowa Insurance Division (“Division”) pursuant to the provisions of the Iowa Insurance Trade Practices Act—Iowa Code Chapter 507B, the Iowa Licensing of Insurance Producers Act—Iowa Code Chapter 522B and the Iowa Administrative Code 191—Chapter 10; and states and alleges the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, administers the Iowa Insurance Trade Practices Act—Iowa Code Chapter 507B and the Iowa Licensing of Insurance Producers Act—Chapter 522B pursuant to Iowa Code § 505.8. Commissioner Gerhart has designated the Iowa Insurance Division to seek enforcement of these provisions.
2. Suman K. Patel (“Patel”) is an individual with a last-known residence address of 27250 N. 64th St. unit #3, Scottsdale, AZ 85266.
3. Suman K. Patel (“Patel”) was licensed in the state of Iowa as a resident insurance producer since August 26, 2009 under National Producer Number 14761442. On June 4, 2015, Patel voluntarily surrendered his Iowa resident insurance producer license. On June 11, 2015, Patel became licensed as a resident insurance producer in Arizona.

4. Patel was employed by Cottingham & Butler Insurance Services, Inc. (Cottingham & Butler) from August 10, 2009 to February 14, 2012 and again from November 12, 2012 to May 14, 2015.

5. Cottingham & Butler is an insurance broker located in Dubuque, Iowa.

6. From on or about August 25, 2014 until on or about October 20, 2014, Patel engaged in acts and practices within the state of Iowa constituting cause for suspension or revocation of his insurance producer license, cease and desist orders, and civil penalties or other relief under Iowa Code §§ 507B.4, 507B.6, 522B.11, and 522B.17, and rules adopted pursuant to Iowa Code Chapter 522B.

II. FINDINGS OF FACT

7. Patel applied for a resident insurance producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License on August 26, 2009. In submitting the Uniform Application, Patel designated the Commissioner as an agent for service of process.

8. The Division issued Patel a license as an insurance producer on August 26, 2009 and assigned to him National Producer Number 14761442.

9. To acquire quotes for transport insurance policies, business customers often submit loss runs and fuel tax information. Loss runs are reports provided by an insurance company that document claim activity on the policies of an insured.

10. From at least as early as August 2014 through at least as late October 2014 Patel provided inaccurate information on loss runs for at least two clients indicating that the clients experienced significantly fewer claims with significantly less monetary loss, which had a tendency to mislead the insurance company concerning the clients' risks.

11. Patel supplied information that had the tendency to deceive a managing general agent to quote or bind auto liability, physical damage, and/or cargo insurance coverage for the clients. Patel received a fee, commission, money, or other benefit from Cottingham & Butler, a broker, on the sale of such coverage.

12. It was a deceptive and unfair insurance trade practice for Patel to provide to a managing general agent inaccurate information that had a tendency to deceive the agent.

13. Patel knew or reasonably should have known that such inaccurate information had the tendency to deceive and constituted violations of the Iowa Insurance Trade Practices Act and the Iowa Licensing of Insurance Producers Act.

14. Patel admits the above facts as stated, herein.

III. CONCLUSIONS OF LAW

15. Under Iowa Code § 507B.6(1) a person commits a deceptive act or practice, whether or not defined in §§ 507B.4, 507B.4A, or 507B.5 if the person makes any assertion or engages in any representation that has a tendency to deceive.

16. Pursuant to Iowa Code § 522B.11(5), the Commissioner may enforce the provisions and impose any penalty or remedy authorized under Iowa Code Chapters 522B and 507B even if the person's license has been surrendered or lapsed by operation of law.

17. Patel committed deceptive acts or practices when he submitted to a managing general agent inaccurate loss runs that had the tendency to deceive.

IV. ORDER

WHEREFORE, IT IS ORDERED that Patel's Iowa resident insurance producer license is suspended for one year pursuant to Iowa Code §§ 507B.7 and 522B.11 effective ~~September~~ ^{October} 27, 2016.

IT IS FURTHER ORDERED that, pursuant to Iowa Code §§ 507B.7 and 522B.17, Patel is prohibited from providing inaccurate information concerning client risks to managing general agents and insurers.

IT IS FURTHER ORDERED that Patel shall pay contemporaneous with this signed order the amount of \$10,000.00 payable to the State of Iowa, Insurance Division as civil penalties and costs of investigation and prosecution to be deposited into the Insurance Enforcement Fund to provide funds for insurance enforcement and education.

IT IS FURTHER ORDERED that Patel shall fully cooperate with the Division in any future investigation of any violations of Iowa insurance statutes and regulations. The terms of this cooperation may be more clearly described in the Cooperation Agreement Between the Iowa Insurance Division and Suman K. Patel dated ~~September 21~~ ^{October 21}, 2016 ("Cooperation Agreement"). For any failure to fully cooperate under the terms of this order or the Cooperation Agreement, the Division may seek all other additional relief as sought in the statement of charges and authorized by law, including setting this matter for full hearing, without limitation. The Commissioner shall retain jurisdiction over this matter until such time as the Division determines that Patel has cooperated fully in accordance with this order and the Cooperation Agreement.

Should Patel fail to cooperate fully with the Division in accordance with the terms of this order and the Cooperation Agreement, or should the information or testimony presented prove to be untruthful or incomplete, the Division may take additional enforcement action against Patel

without limitation for other instances of unfair insurance trade practices, including but not limited to those related to loss runs or otherwise mischaracterizing the businesses of his clients.

SO ORDERED on this 26th day of October, 2016.



DAVID LINDGREN
Administrative Law Judge
Department of Inspections and Appeals
Wallace State Office Building-Third Floor
Des Moines, Iowa 50319-0083

IT IS ORDERED that I have reviewed the record in this matter and adopt these findings of fact, conclusions of law, and order and consent to order as my own.

Dated this 26 day of October, 2016.



NICK GERHART
Iowa Insurance Commissioner

Respectfully submitted,



DUSTIN J. DEGROOTE
Compliance Attorney
Iowa Insurance Division
Two Ruan Center
601 Locust Street, 4th Floor
Des Moines, Iowa 50309-3738
Phone (515) 281-8160
Fax: (515) 281-3059
Dustin.DeGroot@iid.iowa.gov

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 any person who violates this order 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 the person 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 IMPACT OF ORDER ON EXISTING LICENSES

A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and result in license revocation or disciplinary action.

CONSENT TO ORDER AND AGREEMENT

I, Suman K. Patel, Respondent in this matter, have read, understood, and do knowingly admit to the facts as stated in the findings of fact and consent to this order in its entirety. 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 that this order is considered final administrative action that may be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand that this order is a public record under Iowa Code Chapter 22 that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(8)(d). I also understand that the 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.

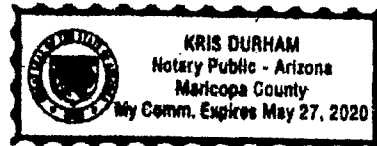
Dated this 19th day of September 2016.

Suman K. Patel
SUMAN K. PATEL

27250 N. 164th St. Unit 3 Scottsdale, AZ 85266
Address of Signatory

Subscribed and sworn before me by Suman K. Patel on this 19th day of SEPTEMBER, 2016.

Kris Durham
Notary Public for the State of Arizona



CERTIFICATE OF SERVICE

County of Polk)
)
State of Iowa)

The undersigned affiant certifies under penalty of perjury that she has entered the above order into the records of the Iowa Commissioner of Insurance; and on the 28th day of October, 2016, the foregoing order was delivered to the United States Postal Service, postage prepaid, for first class mail to:


Dorothy A. O'Brien
Attorney and Counselor at Law, PLC
2322 East Kimberly Road, Suite 100E
Davenport, IA 52807

I further certify that the foregoing order was sent by email to:

Attorney for Respondent:
Dorothy A. O'Brien
dao@empriights.com

David Lindgren
Administrative Law Judge
David.Lindgren@dia.iowa.gov

Counsel for the Division:
Dustin J. DeGroote
Dustin.DeGroote@iid.iowa.gov



Tammi L. Green
Iowa Insurance Division