



### Failure to have Applicant Sign Election of Lower UM Limits

On March 13, 1998, Richard A. Svatos (Svatos), as an agent of GSMIC, received from Lisa A. Sexton (Sexton) of Tigard, Oregon, an application for automobile liability insurance to be provided by GSMIC. Sexton chose uninsured motorist coverage limits that were less than the bodily injury liability coverage limits because the premium for the insurance would be less. The application form contained a statement at the bottom of the application in conspicuous red ink that "\*If UM [uninsured motorist] limits do not equal BI [bodily injury] Liability limits, form 4180, 'Statement Electing Lower Limits for Coverage' must be signed and dated." Svatos did not have Sexton sign or date a written statement electing lower uninsured motorist coverage limits. Svatos called and received authorization from GSMIC to issue a binder to Sexton providing the insurance applied for. On March 24, 1998, GSMIC issued to Sexton an automobile liability insurance policy, number HOMM AU200 67 99-00, that provided uninsured motorist coverage limits that were lower than bodily injury liability coverage limits. GSMIC issued the policy without having Sexton sign and date a written statement electing the lower limits as required by ORS 742.502 and OAR 836-054-0000.

### **Ultimate Facts**

GSMIC issued an automobile liability insurance policy that provided uninsured motorist coverage limits that were lower than bodily injury liability coverage limits without having the insured sign and date a written statement electing the lower uninsured motorist coverage limits.

### **Conclusions**

GSMIC violated ORS 742.502.

### **Action**

GSMIC shall pay a civil penalty of \$1,000 pursuant to ORS 731.988. Payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. Payment shall be personally delivered or mailed to the Insurance Division so that it is received on or before the date of the Final Order.

Dated September 20, 1999.

/s/ Darryl D. Hansen  
Darryl D. Hansen  
President  
GuideOne Specialty Mutual Insurance  
Company

**FINAL ORDER**

The Director adopts, and incorporates herein by this reference, the Facts, Ultimate Facts, Conclusions and Action in the above Stipulation as the Findings of Fact, Ultimate Findings of Fact, Conclusions of Law and Order, respectively, of this Final Order.

Dated September 30, 1999.

/s/ Michael Greenfield  
Michael Greenfield  
Director  
Department of Consumer and Business Services