

into ISI's insurance premium trust account. ISI erroneously believed that the payment was to reimburse ISI for money ISI had loaned Ludecker to pay the initial insurance premium. On March 15, 1998, ISI paid the money to Ludecker after the Insurance Division investigated this transaction and ISI discovered its error.

Failing to Maintain Insurance Premiums in Trust Account

From July 31, 1989 to February 27, 1990, ISI received a total of \$5,801.80 from various insurers or other persons as return or excess insurance premiums owed to four persons. ISI deposited the money into ISI's insurance premium trust account. ISI unsuccessfully tried to return the money to the four persons. ISI maintained the money in its insurance premium trust account until August 27, 1996, by which time the money was presumed abandoned pursuant to ORS 98.332. On August 27, 1996, ISI transferred the money from ISI's insurance premium trust account to its operating account rather than paying the money to the Oregon Division of State Lands (DSL) as required by ORS 98.352. On March 15, 1998, ISI paid the money to DSL after the Insurance Division investigated this transaction.

Ultimate Facts

ISI failed to remit insurance premiums owed to or on behalf of an insured within 30 days after receiving the money as required by Oregon Administrative Rules (OAR) 836-074-0025.

ISI failed to maintain insurance premiums in its trust account until paid to or on behalf of the person entitled to the premiums as required by ORS 744.225(1).

Conclusions

ISI did not comply with OAR 836-074-0025 and ORS 744.225(1).

Action

ISI shall pay a civil penalty of \$15,000 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 June 8, 1999.

/s/ Paulette O. Isham
Paulette O. Isham
President
Isham & Sprague Insurance, Inc.

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 June 15, 1999.

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