

Unlicensed Transactions

From July 27, 1983 to August 14, 1991 and from September 1, 1992 to May 5, 1997, in an unspecified number of instances, HPTS transacted travel related insurance in Oregon as an agent while not licensed as an Oregon resident firm or corporate insurance agent.

From 1983 to November 16, 1998, HPTS authorized a total of 13 employees at various times to transact travel related insurance in Oregon on behalf of HPTS while the employees were not licensed as Oregon resident individual insurance agents. The employees and periods of nonlicensure are as follows:

<u>Employee</u>	<u>Period(s) of Nonlicensure</u>	
Jeanne Becharas	1/1/83	to 12/31/96
Cindy Martin-Anderson	3/1/85	to 7/15/96
Elizabeth Ihrig	3/30/89	to 12/31/97
Dolores Habberstad	8/1/90	to 3/18/91, 8/1/92 to 5/4/97
Shawna Lovewell	7/20/93	to 9/1/94
Karen Seiders	7/24/94	to 3/15/97
Emma Anderson	1/5/95	to 11/16/98
Mark Fortin	3/1/95	to 3/1/97
Victoria Lyda	8/1/95	to 11/16/98
Jeff Macnab	6/1/96	to 8/1/98
Tammy Lee	1/1/97	to 11/16/98
Tina Bird	3/1/97	to 11/16/98
Patricia Young	6/23/97	to 11/16/97

Failure to Keep Proper Records

From 1983 to October 8, 1998, in an unspecified number of instances, HPTS did not retain for three years after the expiration of the policy a copy of the application relative to each travel insurance transaction.

From 1983 to October 8, 1998, in an unspecified number of instances, HPTS did not record, or recorded but failed to retain for three years after the expiration of the policy, the date or amount of insurance premium received from an insured, or the date or amount of insurance premium deposited into an account or remitted to the agent entitled thereto, relative to each travel insurance transaction.

Failure to Establish and Use Insurance Premium Trust Account

From 1983 to October 8, 1998, HPTS received from insureds cash and checks as payment of premiums for travel insurance and deposited such premiums into

HPTS's operating account rather than establishing and using an insurance premium trust account.

Cooperation, Compliance and Current Status

During the investigation of HPTS by the Insurance Division of the Department of Consumer and Business Services, HPTS cooperated by promptly providing the Insurance Division with all documents and information requested and acknowledged that it had violated the insurance laws cited herein. Since then, HPTS has complied with the laws cited herein. Currently, HPTS is properly licensed to sell travel insurance in Oregon.

Ultimate Facts

HPTS transacted insurance as an agent in Oregon while not licensed as an agent, as prohibited by ORS 744.051(1)(a).

HPTS authorized employees to transact insurance in Oregon while the employees were not licensed as agents in Oregon, as prohibited by ORS 744.054.

HPTS failed to keep all of the usual and customary records of insurance policies sold by HPTS for the required period of time, as required by ORS 744.024(3).

HPTS failed to maintain records of insurance premiums received or failed to maintain such records for the required period of time, as required by Oregon Administrative Rules (OAR) 836-074-0045.

HPTS failed to establish and use an insurance premium trust account as required by ORS 744.225(1) and in accordance with OAR 836-074-0005 *et seq.*

Conclusions

HPTS violated ORS 744.024(3), 744.051(1)(a), 744.054, 744.225(1), and OAR 836-074-0045.

Action

HPTS shall pay a civil penalty of \$2,000 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 this order.

Dated June 15, 1999.

/s/ Dolores J. Habberstad
Dolores J. Habberstad
Managing Partner
Hazel Phillips Travel Service

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 July 21, 1999.

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