

**STATE OF OREGON**  
**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
**INSURANCE DIVISION**

In the Matter of **Trevis W. Luzier**.

) **FINAL ORDER**  
) Case No. INS 99-08-003

The Director of the Department of Consumer and Business Services (Director) issues this final order in the above entitled administrative proceeding pursuant to Oregon Revised Statutes (ORS) 731.256 and in accordance with ORS 731.248, 183.415(6) and 183.470.

On September 1, 1999, the Director issued and mailed a Notice of Proposed Action (Notice) to Trevis W. Luzier (Luzier) pursuant to ORS 183.415. The Notice informed Luzier that the Director proposed to take certain administrative action against Luzier and that he could request a hearing. The Director did not receive a request for a hearing from Luzier.

Therefore, the Director makes the following final decision.

**Findings of Fact**

Licensing

Luzier has been licensed in Oregon as a resident individual insurance agent from August 9, 1996 to August 31, 1999. Luzier's license number is 609995. Luzier conducted business in Eugene, Oregon.

First Goodson and Rice Transaction

On or about December 12, 1996, Luzier completed an application in the name of Gary W. Goodson (Goodson) and Beverly J. Rice (Rice), husband and wife, both of Coos Bay, Oregon, to convert an existing term life insurance policy, number 45578051, to a whole life insurance policy, number 45953901, both issued by New York Life Insurance Company (NYLIC). Luzier signed or caused someone to sign both Goodson's and Rice's names on the application. Goodson or Rice did not know of or authorize Luzier to complete, sign their names on or submit the application. Although Rice met with Luzier in late November or early December 1996 and

discussed converting the existing term life insurance policy to a whole life insurance policy, Rice told Luzier that she did not want to do so at least before the existing policy was to expire sometime in 1998. By converting the existing policy, Luzier was able to initiate the transaction without Goodson or Rice knowing about the conversion because they would not have to have a medical examination. Also by converting the existing policy, Luzier was entitled to a commission whereas if he had only renewed it he would not have been entitled to any commission. On or about December 30, 1996, Luzier submitted the application to NYLIC. NYLIC did not know that Luzier had applied to convert the policy without the knowledge or authority of Goodson or Rice. Relying on the application received, NYLIC issued on or about January 9, 1997 the converted whole life insurance policy, number 45953901, and on or about January 15, 1997 delivered the policy to Luzier for further delivery to Goodson and Rice. Luzier never delivered the converted policy. In February 1997, NYLIC paid Luzier a commission of \$241.01. Luzier never collected any premium for the converted policy. Instead, on or about February 27, 1997, Luzier had his wife obtain a cash advance on their credit card and use the cash to purchase a cashier's check, number 6534001314, in the amount of \$634.99 made payable to NYLIC. On or about the same date, Luzier submitted the check to NYLIC as payment of the premium for, among others, the converted policy. Subsequently, Goodson and Rice discovered the unauthorized transaction and contacted NYLIC. NYLIC reversed the conversion and reinstated the previously existing policy. In July 1997, NYLIC collected from Luzier the commission that NYLIC had paid to Luzier.

#### Second Goodson and Rice Transaction

On or about December 28, 1996, Luzier completed an application in the name of Goodson and Rice to convert another existing term life insurance policy, number 29875000, to a new whole life insurance policy, number 45953936, both issued by NYLIC. Luzier signed or caused someone to sign both Goodson's and Rice's names on the application. Goodson or Rice did not know of or authorize Luzier to complete, sign their names on or submit the application. Although Rice met with

Luzier in late November or early December 1996 and discussed converting the existing term life insurance policy to a new whole life insurance policy, Rice told Luzier that she did not want to do so at least before the existing policy was to expire sometime in 1998. By converting the existing policy, Luzier was able to initiate the transaction without Goodson or Rice knowing about the conversion because they would not have to have a medical examination. Also by converting the existing policy, Luzier was entitled to a commission whereas if he had only renewed it he would not have been entitled to any commission. On or about December 30, 1996, Luzier submitted the application to NYLIC. NYLIC did not know that Luzier had applied to convert the policy without the knowledge or authority of Goodson or Rice. Relying on the application received, NYLIC issued on or about January 10, 1997 the converted whole life insurance policy, number 45953936, and on or about January 15, 1997 delivered the policy to Luzier for further delivery to Goodson and Rice. Luzier never delivered the converted policy. Luzier never collected any premium for the converted policy. Instead, on or about February 27, 1997, Luzier had his wife obtain a cash advance on their credit card and use the cash to purchase a cashier's check, number 6534001314, in the amount of \$634.99 and made payable to NYLIC. On or about the same date, Luzier submitted the cashier's check to NYLIC as payment of the premium for, among others, the converted policy. In February 1997, NYLIC paid Luzier a commission of \$269.22. Subsequently, Goodson and Rice discovered the unauthorized transaction and contacted NYLIC. NYLIC reversed the conversion and reinstated the previously existing policy. In August 1997, NYLIC collected from Luzier the commission that NYLIC had paid to Luzier.

#### Travis Rogers Transaction

On or about October 23, 1996, Luzier solicited, completed and received from Travis G. Rogers (T. Rogers) of Roseburg, Oregon an application for whole life insurance to be provided by NYLIC. On or about October 24, 1996, Luzier changed the application by increasing the death benefit from \$10,000 to \$20,800, and deleted the "OPP" rider to purchase additional amounts of whole life insurance for

\$10 additional monthly premium. Luzier wrote the initials "TR" next to each change. T. Rogers did not know of or authorize the changes. On October 24, 1996, Luzier submitted the changed application to NYLIC. NYLIC did not know that Luzier made the changes without the knowledge or authority of T. Rogers. Relying on the application received, NYLIC issued a policy, number 45905089. By making the changes, Luzier caused the monthly premium for the policy applied for to remain approximately the same but increased his commission \$58.38 from \$94.38 to \$152.76.

#### Yvonne Rogers Transaction

On or about March 26, 1997, Luzier solicited, completed and received from Yvonne Rogers (Y. Rogers), on behalf of her dependent son Kevin L. Rogers (K. Rogers), both of Roseburg, Oregon an application for whole life insurance to be provided by NYLIC. On or about October 27, 1996, Luzier changed the application by increasing the death benefit from \$10,000 to \$18,500, deleted the "OPP" rider to purchase additional amounts of whole life insurance for \$10 additional monthly premium, and added the "DOT" rider to purchase \$18,500 of term life insurance. Luzier wrote the initials "YR" next to each change. Y. Rogers did not know of or authorize the changes. On October 24, 1996, Luzier submitted the changed application to NYLIC. NYLIC did not know that Luzier made the changes without the knowledge or authority of Y. Rogers. Relying on the application received, NYLIC issued a policy, number 46009397. By making the changes, Luzier caused the monthly premium for the policy applied for to remain approximately the same but increased his commission \$51.67 from \$101.85 to \$153.52.

#### Failure to Respond to Director's Inquiry

On May 8, 1999, the Insurance Division mailed an administrative subpoena dated May 7, 1999 to Luzier, by certified mail, no. Z 429 077 471, at his former residence address of 2350 N. Terry #49, Eugene, OR 97402 as last recorded in the Insurance Division, and also by certified mail, no. Z 429 077 472, to his then current residence address of 2635 Canterbury, Eugene, OR 97404. On May 10, 1999, a "Melisa Roby" received and signed for the subpoena that was sent to

Luzier's current address. On May 11, 1999, Luzier called to reschedule the initial interview from May 14, 1999 to another date. The Insurance Division and Luzier agreed to reschedule the interview to May 27, 1999. On May 26, 1999, the Insurance Division called for Luzier at his current residence telephone number of (541) 461-8033 and left a recorded message asking for Luzier to call the Insurance Division to confirm that he would appear at the rescheduled interview. Luzier did not return the call or appear at the rescheduled interview. On or about May 28, 1999, the Insurance Division received the subpoena that was sent to Luzier's former residence marked "return to sender - unclaimed."

#### Failure to Notify Director of Address and Telephone Change

On or about November 27, 1998, Luzier changed his residence address from 2350 N. Terry #49, Eugene, OR 97402, to 2635 Canterbury, Eugene, OR 97404 and his residence telephone number from (541) 461-5996 to (541) 461-8033. Luzier has not notified the Insurance Division of either of these changes.

#### **Ultimate Findings of Fact**

Luzier did not respond to an inquiry from the Director. See ORS 731.296.

Luzier did not notify the Insurance Division that he had changed his residence address and telephone number. See ORS 744.028.

In four instances, Luzier made a false or fraudulent representation on or relative to an application for insurance. See ORS 746.100.

#### **Conclusions of Law**

Luzier violated ORS 731.296, 744.028 and 746.100.

#### **Order**

The insurance agent license issued to Luzier is revoked on the date of this order pursuant to ORS 744.013(1)(a).

Luzier shall pay a civil penalty of \$5,500 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, 350 Winter Street NE, Room 440-2, Salem

Oregon, 97310, so that it is **received** within 71 calendar days after the date that this order.

**Notice of Judicial Review**

Luzier may request the Oregon Court of Appeals to review this order by filing a written petition for judicial review with the Court within 60 calendar days following the date this order is personally delivered or mailed to Luzier pursuant to ORS 183.480 and 183.482.

Dated October 18, 1999.

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