

interest in, or be an officer, director or employee of, any business organization licensed as an insurance agent, consultant or adjuster in Oregon.

Dated August 15, 2000.

/s/ Allan E. Richard
Allan E. Richard

FINAL ORDER

In consideration of the above Stipulation, the Director issues this Final Order.

Findings of Fact

Licensing

Richard has been licensed in Oregon as a resident individual insurance agent since 4/1/68. Richard's license number is 107883. Richard discontinued transacting insurance on or about 11/30/99. Richard resides at 3844 SE Augusta Place, Gresham, OR 97080.

Backdating an Application for Insurance to Cover a Loss

On or about 3/19/98, Petru "Peter" Donisanu (Donisanu) of Portland, Oregon, called Richard and told Richard that Donisanu's wife had been in a two car accident on 3/18/98 while driving a pickup that Donisanu had recently purchased. Richard told Donisanu that Donisanu did not have any insurance for the losses arising out of the accident. Donisanu told Richard words to the effect that "I have trusted you to handle all [of] my insurance needs and expect [the loss] to be covered." On 3/19/98, Richard called Millers Casualty Insurance Company (Millers) about the possibility of amending an existing commercial insurance policy, number 02-cl-004077-1, that had been issued by Millers to Donisanu dba P and D Builders (a carpentry business) and dba Mayflower Auto Body (an automobile body repair business), in order to add insurance covering any automobile owned by Donisanu dba Mayflower Auto Sales (a used automobile sales business). Millers told Richard to call Millers General Agency (MGA), the exclusive managing general agent for Millers. On 3/20/98, MGA told Richard that the additional insurance could be provided. Richard did not tell Millers or MGA about the accident. On 3/23/98, Richard prepared an application to add the insurance. Richard requested on the application that the insurance begin on 3/18/98, which was

the day of the accident. Richard also indicated on the application that Donisanu did not have any previous related losses. On 3/24/98, Richard faxed a cover memo and the application, both dated 3/24/98, to Millers. In the cover memo, Richard said "Please review my application for coverage to add this good insureds['] auto sales operation eff[ective] 03-18-98. I highly recommend this customer, and trust these applications are all you need. Please advise me if you need any further information. Thanks, Al." Richard did not indicate in the cover memo or on the application any information about the accident. On 5/19/98, Millers issued a new policy, number 02-cl-011907-0, combining the insurance provided by the previous policy with the additional insurance applied for. On 5/20/98, after Millers issued the new policy which would provide insurance for the losses arising out of the accident, Richard prepared an ACCORD Automobile Loss Notice dated 5/20/98 regarding the automobile accident that occurred on 3/18/98. On 5/26/98, Richard mailed the loss notice to Millers. Relying on the information provided by Richard, Millers paid a total of \$104,280.15 for claims for losses arising out of the accident.

Ultimate Finding of Fact

Richard used a dishonest practice in the course of conducting business as an insurance agent.

Conclusion of Law

Richard violated ORS 744.013(2)(g).

Order

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

Richard shall not pay any civil penalty.

Richard shall not apply to the Director for any license as an insurance agent, consultant or adjuster to be issued to either himself or to any business organization owned or operated by him. Richard also shall not own any equity interest in, or be an officer, director or employee of, any business organization licensed as an insurance agent, consultant or adjuster in Oregon.

Dated August 29, 2000.

/s/ Deborah Lincoln
Deborah Lincoln
Deputy Director
Department of Consumer and Business

Services

CERTIFICATE OF SERVICE

I certify that on August 29, 2000 I served the above Stipulation and Final Order by mailing a copy thereof in a sealed envelope, with first class postage prepaid, to the party named therein and to his attorney of record.

/s/ Mitchel D. Curzon
Mitchel D. Curzon
Administrative Law Specialist
Insurance Division