

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Joanne M. Davis.**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 00-09-016
) File No. 2146 IV

STIPULATION

The Director of the Department of Consumer and Business Services (Director) commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256(1), to take action against Joanne M. Davis (Davis) for violating certain provisions of the Oregon Insurance Code.

Davis enters into this stipulation, pursuant to ORS 183.415(5), to conclude this proceeding without further administrative or judicial proceedings.

Davis waives the right to receive a notice of proposed action, notice of rights and notice of judicial review, to have a hearing and to be represented by an attorney at the hearing, and to judicial review of the final order.

Davis admits and agrees to the following facts, conclusions and action.

Facts

Licensing

Davis was licensed in Oregon as a resident individual agent from 2/28/90 to 2/28/00. Davis' license number was 103060. Davis' residence address is 2860 SE Cleveland Drive, Gresham, OR 97080. As of about 9/7/99, Davis discontinued transacting insurance.

Misrepresentations In Insurance Transactions

On 7/9/99 @ 11:11 AM, Davis, as an agent of Majestic Eagle Agency, Inc. (MEA) of Portland, OR, faxed to Millers General Agency (MGA) an application dated 6/25/99 from Columbia Excavating, Inc. (Columbia Excavating) of Fairview, Oregon for commercial insurance to be provided by Millers Casualty Insurance Company (Millers). On the application, Davis marked "No" in answer to question number 6 which asked if "Any policy or coverage [issued to Columbia Excavating had been] declined, canceled or non-renewed during the previous 3 years?" This representation was not true because on 7/9/99 Valley Insurance Company (Valley) non-renewed its policy, number

4301CP067896, issued to Columbia Excavating. Davis knew that this representation was not true because she knew about the non-renewal before she transmitted the application to Millers. On the application, Davis also indicated that Columbia Excavating had had only two claims or occurrences that might give rise to claims within the previous 5 years. This representation was not true because Columbia Excavating had had 11 claims arising out of occurrences from 2/15/95 to 5/23/99. Davis knew that this representation was not true because she knew about the other losses before she transmitted the application to Millers.

On 7/13/99 @ 4:03 PM, Davis faxed to American States Insurance Company (American States) an application dated 6/25/99 from Columbia Excavating for commercial insurance to be provided by American States. On the application, Davis marked "No" in answer to question number 6 which asked if "Any policy or coverage [issued to Columbia Excavating had been] declined, canceled or non-renewed during the previous 3 years?" This representation was not true because on 7/9/99 Valley non-renewed its policy, number 4301CP067896, issued to Columbia Excavating. Davis knew that this representation was not true because she knew about the non-renewal before she transmitted the application to American States. On the application, Davis also indicated that Columbia Excavating had had only two claims or occurrences that might give rise to claims within the previous 5 years. This representation was not true because Columbia Excavating had had 11 claims arising out of occurrences from 2/15/95 to 5/23/99. Davis knew that this representation was not true because she knew about the other losses before she transmitted the application to American States.

Ultimate Facts

Davis made a misrepresentation on or relative to an application for insurance in four instances.

Conclusions

Davis violated ORS 744.100 in four instances.

Action

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

In consideration of the Director not assessing Davis a civil penalty of \$4,000 pursuant to ORS 731.988, Davis agrees not to apply to the Director for any license as an insurance agent, consultant or adjuster to be issued to either herself or to any business organization owned or operated by her. Davis also agrees not to 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 October 22, 2000.

/s/ Joanne M. Davis
Joanne M. Davis

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 October 31, 2000.

/s/ Mary C. Neidig
Mary C. Neidig
Director
Department of Consumer and Business Services

CERTIFICATE OF SERVICE

I certify that on October 31, 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.

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