

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

In the Matter of **Corey L. Osvog**.

) **FINAL ORDER**

) Case No. INS 00-09-019

The Director of the Oregon Department of Consumer and Business Services (Director) commenced the above entitled administrative proceeding pursuant to Oregon Revised Statutes (ORS) 731.256 to take disciplinary action against Corey L. Osvog (Osvog) for violating certain provisions of the Oregon Insurance Code.

On October 11, 2000, the Director issued a Notice of Proposed Action (Notice) pursuant to ORS 183.415 proposing to assess Osvog a civil penalty of \$4,610 pursuant to ORS 731.988(1) for allegedly violating ORS 744.013(2)(d) and (g) and 744.051(1)(a) as specifically described therein. The Notice also informed Osvog that he had a right to a hearing and to be represented by an attorney at the hearing.

The Director did not receive from Osvog any request for a hearing.

The Director now makes the following final administrative decision in this proceeding in accordance with ORS 731.248, 183.450 and 183.470 and related administrative rules.

**Findings of Fact**

**Licensing**

Osvog is believed to reside and conduct business at 7224 Luke Avenue, Bakersfield, CA, 93308. Osvog has never been licensed in Oregon as a individual insurance agent.

**Transacting Insurance Without a License**

From 1993 to 1998, Osvog, on behalf of Osvog Equine Insurance (OEI), sold to James W. Ratzlaff (Ratzlaff) of Roseburg, Oregon five equine mortality and major medical insurance policies issued through Mark D. Fredricksen Insurance Services, Inc. (FIS) by American Bankers Insurance Company of Florida (ABIC). The policy numbers, effective dates, limit of liability and premium for each policy are as follows:

<u>Policy No.</u>	<u>Effective Dates</u>	<u>Limit of Liability</u>	<u>Premium</u>
LM 0274537	1/13/93 to 1/13/94	\$12,500	\$ 450
LM 0354361	4/11/94 to 4/11/95	\$12,500	\$ 450
LM 0375391	4/11/95 to 4/11/96	\$30,000	\$1,195
LM 0375391	4/11/96 to 4/11/97	\$40,000	\$1,535
LM 0375391	4/11/97 to 4/11/98	\$40,000	\$1,535

On or about 3/14/98, Osvog offered to sell to Ratzlaff equine mortality and major medical insurance and urged Ratzlaff to complete and return to Osvog an application and a check made payable to "Osvog Equine Insurance" in the amount of \$1,610. On or about 4/9/98, Ratzlaff issued a check, number 2903, dated 4/9/98, made payable to "Osvog Equine Insurance" in the amount of \$1,610. On or about 4/14/98, Osvog deposited the check into OEI's trust account.

#### Misrepresentation

In the course of offering to sell to Ratzlaff equine mortality and major medical insurance covering Ratzlaff's horse named "Sirpreme," Osvog misrepresented in a letter dated 3/14/98 to Ratzlaff that "'American Equine Insurance Group' has offered to renew the coverage on 'Sirpreme' ...." This representation was false. American Equine Insurance Group (AEIG) could not renew the existing insurance because the existing insurance coverage was provided by ABIC under policy number L 0375391 and only ABIC could "renew" such insurance. Also, AEIG was not an insurer but rather a managing general agent then for Calvert Insurance Company (Calvert). Finally, AEIG had not offered to provide on behalf of Calvert any insurance to Ratzlaff.

#### Misappropriation

On or about 3/14/98, Osvog offered to sell to Ratzlaff equine mortality and major medical insurance and urged Ratzlaff to complete and return to Osvog an application and a check made payable to "Osvog Equine Insurance" in the amount of \$1,610. On or about 4/9/98, Ratzlaff issued a check, number 2903, dated 4/9/98, made payable to "Osvog Equine Insurance" in the amount of \$1,610. On or about 4/14/98, Osvog deposited the check into OEI's trust account. AEIG never received the application or premium payment and has no record of offering to insure or actually insuring Ratzlaff. Ratzlaff never received any policy or refund.

Ultimate Findings of Fact and Conclusions of Law

Osvog violated ORS 744.051(1)(a) in six instances by transacting insurance as an agent in Oregon while not licensed as an agent.

Osvog violated ORS 744.013(2)(g) in one instance by using a fraudulent or dishonest practice in the course of transacting insurance as an agent.

Osvog violated ORS 744.013(2)(d) in one instance by misappropriating money that he received from an applicant relative to an insurance transaction.

**Order**

Osvog shall pay to the Director a civil penalty of \$4,610 pursuant to ORS 731.988. Osvog shall pay the civil penalty on or before the 71st calendar day after the date of this order pursuant to ORS 183.090(2). Payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due.

**Notice of Judicial Review**

Pursuant to ORS 183.480 and 183.482, Osvog 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 Osvog.

Dated November 30, 2000.

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

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