

**STATE OF OREGON
BEFORE THE HEARING OFFICER PANEL
FOR THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of)	Case No.: 00-09-017
)	
MICHAEL M. MORROW and)	
MORROW and ASSOCIATES)	PROPOSED ORDER
INSURANCE)	

Administrative Law Judge Catherine P. Coburn convened a contested case hearing on March 6, 2001 and reconvened, closing the record on March 20, 2001. Assistant Attorney General Kathleen G. Dahlin represented the Oregon Department of Consumer and Business Services, Insurance Division (the department). Mark B. Comstock, Attorney at Law, represented Michael M. Morrow and Morrow and Associates Insurance (Morrow or respondent). The department called Jan Vanderspek (Vanderspek), Kevin Merz, owner of the Merz Insurance Agency (Merz), Oregon Insurance Division Investigator Rich Zafuto (Zafuto), and Lee Reickert as witnesses. Morrow and Associates called its sole proprietor, Michael Morrow (Morrow), Linda Kenny (Kenny) and Jerry Stevens (Stevens) as witnesses. Morrow appeals the department's January 24, 2001 Amended Notice of Proposed Action (Notice).

NOTICE

On January 24, 2001, the director of the department issued a Notice which alleges that Morrow violated several statutory provisions. The department alleged that Morrow violated ORS 744.013(2)(g) in four instances by misrepresenting to Jan Vanderspek of Eugene, Oregon that Vanderspek was insured under a life insurance policy, number 51840 issued by US Financial Life Insurance Company (USFL). Also, the department alleged that Morrow violated ORS 746.120 in one instance on or about February 26, 1998 by collecting from Vanderspek a check made payable to USFL for \$861.50 as payment of the quarterly premium for a policy purportedly

1 issued by USFL which Morrow knew either had been issued but was no longer in force, or had
2 not been issued and would not be issued to Vanderspek. Additionally, the department alleged
3 that Morrow violated ORS 731.296 in three instances by making untruthful statements to a
4 representative of the director of the department on or about May 28, 1999. Furthermore, the
5 department alleged that Morrow and Associates Insurance is subject to administrative action
6 pursuant to ORS 744.013(3) because Morrow violated the laws specified above and Morrow is
7 sole proprietor of Morrow and Associates Insurance. Finally, the department withdrew
8 allegation number four arising from ORS 744.028.

9 **ISSUES**

- 10 1. Did Morrow violate ORS 744.013(2)(g)?
11 2. Did Morrow violate ORS 746.120?
12 3. Did Morrow violate ORS 731.296?
13 4. Is Morrow and Associates Insurance subject to administrative action pursuant to ORS
14 744.013(3)?

15 **EVIDENTIARY RULINGS**

16 Exhibits 2 through 39, offered by the department were received without objection. The
17 department's Exhibit 1 was received over respondent's objection for lack of foundation. The
18 department's Exhibit 40 was received over respondent's objection on grounds of untimely
19 submission and lack of reliability.

20 Exhibits A through W, KK, LL and MM were offered by respondent and were received
21 without objection. Respondent withdrew Exhibits X, Y, and EE. Respondent's Exhibits Z, AA,
22 BB, CC, DD, FF, GG, HH, II and JJ were received over the department's relevance objections.

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FINDINGS OF FACT

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Morrow is the sole proprietor of Morrow and Associates Insurance. (Testimony of Morrow). In 1997 and 1998, a series of transactions took place between Morrow and Vanderspek. In the spring of 1997, a mutual acquaintance referred Vanderspek to Morrow. Vanderspek indicated that he needed health and dental insurance for several employees, coverage under a buy-sell agreement as well as a life insurance policy. (Testimony of Morrow). Vanderspek had a life insurance policy through Jackson National Life Insurance Company (Jackson) with a \$250,000 face value and \$2,800 annual premium which was due to expire in five years. (Ex. 2-2). The Jackson policy was assigned as security for a bank loan related to a previous bankruptcy proceeding. (Exs. 2-2, AA, BB, CC, DD, FF, GG, HH, II; testimony of Vanderspek and Morrow). Since the bank refused to release its security interest in the Jackson policy, Vanderspek needed additional life insurance naming his wife as beneficiary. (Testimony of Morrow). Also, Vanderspek was interested in obtaining a replacement policy with a ten-year guaranteed premium rate. (Ex. 1). In March 1997, Vanderspek suffered no cardiac condition. (Exs. 2-51, 3, G5 and 32).

In April 1997, Vanderspek applied for a \$250,000 policy with Transamerica Occidental Life Insurance (Transamerica) through Morrow. Vanderspek paid a premium deposit of \$786.50. (Ex. 3). On April 14, 1997, a medical examination revealed that Vanderspek suffered a cardiac condition. (Ex G). As a result of the medical test results, Transamerica declined to offer Vanderspek a policy at a preferred rate. (Ex. H). Because of the higher premium, Vanderspek discontinued the application. (Ex. 4; testimony of Vanderspek). Morrow did not inform Vanderspek of the medical test results. (Testimony of Vanderspek).

1 Morrow contacted the Merz Insurance Agency (Merz) in order to identify a low-cost life
2 insurance policy for Vanderspek and indicated that Vanderspek would also need additional
3 coverage under a buy-sell agreement. (Ex. J-1). On June 25, 1997, Vanderspek applied for a
4 standard rate 10-year term policy with USFL through Morrow. The application was assigned
5 number 68733. (Ex. 7). Vanderspek endorsed the check for \$786.50 from Transamerica to
6 USFL as a premium deposit. (Exs. 2-54 and 6). Morrow sent the application and check to Merz.
7 (Ex. 30-10). Merz forwarded the application and premium deposit for USFL. (Ex. S).

8 On August 29, 1997, USFL offered policy number 68733 to Vanderspek.
9 (Exs. 13 and 15). Due to Vanderspek's cardiac condition, USFL offered a Standard Table 2
10 policy at a higher premium rate than the standard policy for which he had applied. (Ex. 9).
11 USFL offered a universal policy rather than a 10-year term policy for which he had applied.
12 (Exs. 7, 12 and 33-11). The face value was \$250,000 and the yearly premium was \$6,527.50.
13 (Ex. 9). In July 1997, USFL returned the application and premium deposit to Merz because the
14 application was incomplete. (Ex. S). Merz mailed the policy and delivery requirements to
15 Morrow with a delivery date not to exceed October 10, 1997. (Ex. 30-1; testimony of Kevin
16 Merz). The August 1997 policy transmittal for USFL policy number 68733 contains a Delivery
17 Receipt bearing the notation, "THIS FORM MUST BE SIGNED AND RETURNED TO THE
18 HOME OFFICE" and a signature line for the proposed insured. (Ex. 13). In order for USFL
19 policy 68733 to become effective, USFL required receipt of the completed policy application,
20 premium deposit and delivery requirements on or before October 10, 1997. (Ex.30-10;
21 testimony of Kevin Merz).

22 In late August 1997, Morrow visited Vanderspek's place of business and left USFL
23 policy number 68733 for Vanderspek's review. (Ex. 1-1; testimony of Vanderspek and
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1 Morrow). Vanderspek did not sign the delivery receipt in accordance with USFL delivery
2 requirements. (Exs. 12 and 13). Within a few days, Vanderspek telephoned Morrow and
3 complained that the \$6,527.50 yearly premium was higher than he expected. (Ex. 1; testimony
4 of Vanderspek and Morrow). On October 4, 1997, Morrow filled out a USFL Application for
5 Change to Policy Number 68733 listing “Minimum premium” and quarterly premium of
6 \$786.50. (Ex. 17-1). Neither Merz nor USFL ever received this Application for Change to
7 Policy. (Exs. 15 and 30).

8 On September 16, 1997, Jackson notified Vanderspek that this life insurance policy had
9 lapsed. (Ex. 16).

10 Neither Merz nor USFL ever received the completed application, premium deposit or
11 delivery requirements for policy number 68733. (Exs. 30 and U). When the receipt deadline
12 passed on October 10, 1997, USFL notified Vanderspek that policy number 68733 was not taken
13 out (NTO) and was not in effect. The termination letter was copied to Morrow. (Ex. 19).

14 On October 11 or 12, 1997, Morrow again visited Vanderspek’s place of business and
15 hand-delivered to Vanderspek a schedule for USFL policy number 51840 which Vanderspek
16 understood to be a replacement for policy number 68733. (Ex. 1-1; testimony of Vanderspek).
17 The face value was \$250,000 and the annual premium was \$3,308.16. The start date was
18 October 10, 1997 for a ten-year term. (Exs. 18 and LL). The policy schedule uses a font that is
19 different from USFL boilerplate documents and contains several typographical errors including
20 “pemium” and “canged”. (Exs 18-2, 31 and LL-3).

21 In early January 1998, Vanderspek telephoned Morrow to ask why he had received no
22 premium notice for USFL policy number 51840. (Ex. 1-1; testimony of Vanderspek and
23 Morrow). Morrow telephoned the Merz agency. (Testimony of Morrow). Merz faxed to

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1 Morrow and he forwarded to Vanderspek a statement showing that policy number 51840 was
2 paid to 2-20-98. (Exs. 20 and 33-17).

3 In February 1998, Vanderspek telephoned Morrow to inquire why he still had not
4 received a billing notice from USFL. (Ex. 1-1; testimony of Vanderspek and Morrow).
5 Vanderspek went to Morrow's office and Morrow solicited \$861.50 from Vanderspek with a
6 hand-written note that reads, "We need to send a check for the quarterly premium to U.S. Life
7 for \$861.50 to keep them on the hook for their policy." (Ex. 21). Morrow collected a check for
8 \$861.50 from Vanderspek as a premium payment for a USFL life insurance policy. (Ex. 1-1;
9 testimony of Vanderspek and Morrow). Morrow provided a hand-written receipt which reads,
10 "Received from Jan Vanderspek 2/26/98 \$861.50 quarterly premium on U.S. Life Insurance
11 policy for \$250,000, original application." (Ex. 21).

12 In March 1998, Vanderspek's bank statement failed to reflect a cancelled check from
13 USFL for \$861.50 dated February 26, 1998. Vanderspek telephoned USFL to inquire whether
14 payment had been received on policy number 51840. (Ex. 1-1). USFL informed Vanderspek
15 that policy number 51840 belonged to a different person and Vanderspek had no policy with
16 USFL. (Exs. 1-1, 15 and 30-5).

17 USFL issued policy number 51840 on the life of David Shears in 1996. (Exs. 15 and 31).
18 The writing agent on this policy was Morrow. (Ex. 15). Morrow bound USFL policy 51840 to
19 David Shears in January 1998 and complied with USFL delivery requirements. (Exs. W-7, W-8,
20 W-9). USFL assigns policy numbers according to a chronological, sequential numbering system.
21 (Testimony of Kevin Merz).

22 On March 31, 1998, Vanderspek learned that the check for \$786.50 that he had endorsed
23 from Transamerica to USFL had not been cashed. (Ex. 25). Vanderspek requested
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1 Transamerica to stop payment and to issue a replacement check. (Ex. 26). Transamerica
2 complied. (Ex. 27).

3 USFL never received the check for \$861.50 that Morrow collected from Vanderspek as a
4 premium deposit on February 26, 1998. (Exs. 15 and 21). The check for \$861.50 was never
5 cashed and Vanderspek later stopped payment. (Testimony of Vanderspek).

6 On February 26, 1998, Morrow handwrote a note to Vanderspek which reads, "I have
7 bound this \$250,000 policy with Lafayette Life (the new carrier we are looking at) ***." (Ex.
8 21-1). On the same day, Morrow filled out an application for a policy with Lafayette Life
9 Insurance Company (Lafayette). (Ex. 22; testimony of Vanderspek). The application notes,
10 "\$250.00 has been paid to the agent named below." (Ex. 22-5). On March 28, 1998,
11 Vanderspek telephoned Indianapolis Life Insurance Company (Indy Life), policy administrator
12 for Lafayette, to inquire regarding the status of his application. (Exs. 1-1 and 28-7). Indy Life
13 had not received the application. (Exs. 1-1 and 28-7). Morrow subsequently forwarded
14 Vanderspek's application and on April 13, 1998, Morrow paid \$250.00 to Lafayette as a
15 premium deposit. (Ex. 23). On April 17, 1998, Vanderspek contacted Indy Life for information
16 regarding the status of his application which was in the underwriting process. Contrary to the
17 notation on the application form, Vanderspek had not paid any money to Morrow. At
18 Vanderspek's request, Indy Life assigned a different agent and Vanderspek later withdrew the
19 application. Indy life returned the \$250.00 premium deposit to Morrow. (Ex. 24). In May 1998,
20 Vanderspek again applied to Lafayette for a life insurance policy. Indy Life postponed the
21 underwriting process due to Vanderspek's health condition. (Ex. 24). As of September 16,
22 1998, Vanderspek had no coverage with Lafayette. (Ex. 24).

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1 On May 28, 1999, David Faulkner (Faulkner), Investigator with the Oregon Insurance
2 Division conducted a recorded interview with Morrow. The interview took place under oath and
3 in the presence of respondent's attorney.

4 In the recorded interview, Faulkner asked Morrow whether Vanderspek had accepted
5 USFL policy bearing number 68733. (Ex 33-10). Morrow answered, "Yes and he didn't sit
6 down and read it when he was, when I was there. He said, 'Thank you.' And 'I appreciate that
7 and I'll, I'll get back to you.' I said 'Okay.'" (Ex. 33-10). Morrow went on to explain that
8 Vanderspek later telephoned expressing dissatisfaction with USFL policy 86733 and Morrow
9 subsequently submitted a policy change request.
10 (Ex. 33-11).

11 In the recorded interview, Morrow represented that in September 1997, USFL did not
12 have any delivery requirements. (Ex. 30-20). In the recorded interview, Morrow stated that he
13 did not know the origin of the USFL schedule page for policy number 51840 listing Vanderspek
14 as the insured. (Ex. 33-15 and 33-23).

15 On March 12, 1999, Vanderspek and USFL executed a Mutual Release.
16 (Ex. KK). In consideration of \$40,000, Vanderspek released all claims arising out of the
17 business transactions between Vanderspek and Morrow in 1997 and 1998. USFL also agreed to
18 issue an Ultimate Term 10 policy with a death benefit of \$250,000 at a premium of \$7,7368 per
19 year payable in quarterly payments of \$1,842.00. (Ex. KK-1). On December 16, 1999,
20 Vanderspek's bankruptcy debt was discharged. (Ex. HH).

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1 **FINDINGS OF ULTIMATE FACT**

- 2 1. Respondent violated ORS 744.013(2)(g) in four instances.
3 2. Respondent violated ORS 746.120 in one instance.
4 3. Respondent violated ORS 731.296 in two instances.
5 4. Morrow and Associates Insurance is subject to administrative action pursuant
6 to 744.013(3).

7 **CONCLUSIONS OF LAW AND OPINION**

8 The issues to be resolved in this sanction case are whether Morrow’s conduct in a series
9 of transactions with Vanderspek violated any of several statutory provisions. In this regard, the
10 department has the burden of proving the allegations by a preponderance of the evidence. *See*
11 ORS 183.450(2) and (5); *Harris v. SAIF*, 292 Or 683, 690 (1982) (general rule regarding
12 allocation of burden of proof is that the burden is on the proponent of the fact or position.); *Cook*
13 *v. Employment Div.*, 47 Or App 437 (1980) (in the absence of legislation adopting a different
14 standard, the standard in administrative hearings is preponderance of the evidence).

15 The case presents a series of factual disputes. The department alleges that Morrow
16 violated several statutory provisions as specified in the Notice. On the other hand, Morrow
17 denies each allegation but does not dispute the severity of the proposed sanctions.¹

18 ORS 744.013(2)(g) provides:

19 “Use of a fraudulent or dishonest practice by the licensee in the
20 conduct of business under the license, or demonstration therein that
21 the licensee is incompetent, untrustworthy or a source of injury and
22 loss to the public or others.”

23 Respondent argues that Vanderspek suffered no injury or loss as a result of his business
24 transactions with Morrow. In support of his position, respondent argues that Vanderspek

1 profited from the March 1999 mutual release. Respondent further argues that this settlement
2 relieved Vanderspek's financial distress caused by the previous bankruptcy. Finally, respondent
3 argues that Vanderspek suffered no injury or loss because he obtained life insurance coverage at
4 a standard rate in the errors and omissions settlement.

5 Respondent's argument requires me to construe ORS 744.013(2)(g). In construing a
6 statute, my task is to discern the intent of the legislature. The first level of analysis is to examine
7 both the text and context of the statute. If the legislature's intent is clear, no further inquiry is
8 necessary. *PGE v. Bureau of labor and Industries*, 317 Or 606, 610-611 (1993). ORS
9 744.013(2)(g) is a disjunctive statute. The text reflects the legislature's intent to subject
10 insurance agents to discipline where there is a violation of any of three categories of misconduct.
11 Accordingly, if Morrow used fraudulent or dishonest practices or demonstrated incompetence
12 or untrustworthiness, he is subject to discipline even if Vanderspek suffered no injury or loss.
13 Therefore, respondent's argument is in this regard is not persuasive.

14 I find that Morrow used fraudulent or dishonest practices or demonstrated incompetence
15 or untrustworthiness. In the first instance, Morrow created and provided to Vanderspek a
16 fictitious policy schedule. On or about October 11 or 12, 1997, Morrow hand-delivered a
17 schedule for USFL policy number 51840. The schedule lists Vanderspek as the insured but the
18 policy number had been previously assigned to a different insured, David Shears. Respondent
19 denies that he created the fictitious schedule and contends that it originated with either USFL,
20 Merz or Vanderspek. However, the evidence does not support respondent's position. USFL and
21 Merz are unlikely to produce boilerplate documents in different fonts or containing typographical
22 errors. Moreover, if USFL had created the schedule page, they would have employed a
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24 ¹ The parties did not raise aggravating and mitigating factors and I do not discuss them.

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1 chronological, sequential numbering system assigning a policy number higher than 68733 which
2 was assigned to Vanderspek's first policy several months earlier. Finally, neither USFL nor
3 Merz had an incentive to offer Vanderspek a policy at a substantially lower premium rate. On
4 the other hand, Morrow stood to gain commissions from the employee's health and dental
5 insurance policies as well as coverage under a buy-sell agreement if he obtained a life insurance
6 policy for Vanderspek at a favorable rate.

7 Morrow further contends that Vanderspek created the schedule page for USFL policy
8 51840. Morrow argues that Vanderspek was financially motivated by his bankruptcy to pursue a
9 claim against Morrow and to leverage a monetary settlement with USFL. In this regard, the
10 department and respondent called witnesses to alternately attack and bolster Vanderspek's
11 credibility. However, Vanderspek's account of the facts is supported by documentary evidence
12 while Morrow's is not. Furthermore, it was impossible for Vanderspek to create the fictitious
13 schedule page because he lacked access to David Shears' policy number. Based on the evidence,
14 I find that Morrow created and delivered a fictitious schedule page for USFL policy number
15 51840 listing Vanderspek as the insured in violation of ORS 744.013(2)(g).

16 Morrow used fraudulent or dishonest practices or demonstrated incompetence or
17 untrustworthiness in a second instance. In February, 1998, Morrow faxed to Vanderspek a
18 statement indicating that policy 51840 was paid through 2-20-98. At hearing, Morrow testified
19 that he made an honest mistake by requesting the paid-through date from Merz for the wrong
20 policy number. I find respondent's account not credible because he had previously created the
21 fictitious schedule page listing Vanderspek as the insured on David Shears' policy number.
22 Even if Morrow did request information from Merz on the wrong policy number as an honest
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1 mistake, he demonstrated incompetence and untrustworthiness in violation of ORS
2 744.013(2)(g).

3 Morrow used fraudulent or dishonest practices or demonstrated incompetence or
4 untrustworthiness in a third instance. On February 26, 1998, Morrow solicited \$861.50 from
5 Vanderspek to pay the quarterly premium for a policy that was not in effect. Morrow provided
6 to Vanderspek a handwritten note that reads, “We need to send a check for the quarterly
7 premium to U.S. Life for \$861.50 to keep them on the hook for their policy.” Based on their
8 communications, Morrow knew that Vanderspek had not agreed to the premium rate USFL
9 offered on policy number 68733. Also, Morrow knew that USFL policy number 68733 was NTO
10 because the termination letter had been copied to him. Furthermore, Morrow knew that USFL
11 policy number 51840 had been issued to David Shears because Morrow was the writing agent.
12 In violation of ORS 744.013(2)(g), Morrow mislead Vanderspek to believe that he was covered
13 by a USFL life insurance policy when in fact he was not.

14 Morrow used fraudulent or dishonest practices or demonstrated incompetence or
15 untrustworthiness in a fourth instance. On February 26, 1998, Morrow delivered to Vanderspek
16 a handwritten receipt for a \$861.50 check Vanderspek wrote to USFL as payment of the
17 “quarterly premium on U.S. Life Insurance policy, original application” when no such policy
18 was in force. Morrow knew that Vanderspek had declined the policy USFL offered on the
19 original application because the premium was too high. Morrow knew that USFL policy number
20 68733 was NTO and that USFL policy number 51840 was issued to David Shears. In violation
21 of ORS 744.013(2)(g), Morrow misled Vanderspek to believe that a USFL policy was in effect
22 when none was.

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1 ORS 746.120 provides:

2 “No person shall willfully collect any sum as premium or charge
3 for insurance which is not then provided, or is not in due course to
4 be provided subject to acceptance of the risk by the insurer, under
 an insurance policy issued by an insurer in conformity with the
 insurance code.”

5 Morrow willfully collected a sum as premium for insurance which was not then provided
6 or was not in due course to be provided. On February 26, 1998, Morrow collected \$861.50 from
7 Vanderspek as a premium payment for a USFL policy that Morrow knew was not in effect and
8 would not be provided in due course. Morrow knew that USFL offer policy number 68733 at a
9 premium rate that was unacceptable to Vanderspek and that USFL had listed policy number
10 68733 as NTO. Furthermore, Morrow knew that USFL policy number 51840 was issued to
11 David Shears and not to Vanderspek. The evidence establishes that Morrow willfully collected a
12 premium sum in violation of ORS 746.120.

13 The department alleges that Morrow violated ORS 731.296 in three instances by making
14 untruthful replies to the director’s inquiry in a May 1999 recorded interview. ORS 731.296
15 provides:

16 “Director’s inquiries. The Director of the Department of
17 Consumer and Business Services may address any proper inquiries
18 to any insurer, licensee or its officers in relation to its activities or
19 condition or any other matter connected with its transaction. Any
20 such person so addressed shall promptly and truthfully reply to
 such inquiries using the form of communication requested by the
 director. The reply shall be verified by an officer of such person, if
 the director so requires. A reply is subject to the provisions of
 ORS 731.260.”

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1 ORS 731.260 provides:

2 “No person shall file or cause to be filed with the Director of the
3 Department of Consumer and Business Services any article,
4 certificate, report, statement, application or any other information
5 required or permitted to be so filed under the Insurance Code and
6 known to such person to be false or misleading in any material
7 respect.”

8 The department alleges that Morrow violated ORS 731.296 by stating in the recorded
9 interview that Vanderspek accepted USFL policy number 68733. The allegation of
10 misrepresentation turns on interpretation of the term “accepted”. At hearing, Morrow testified
11 that he understood the term “accepted” to mean “physically received.” In the recorded
12 interview, Morrow did not indicate that Vanderspek agreed to be bound by USFL policy 68733.
13 Rather, Morrow explained that Vanderspek agreed to review the policy and later declined it,
14 leading Morrow to submit a policy change request. Reading the recorded interview in context, I
15 find that Morrow did not untruthfully reply to the director’s inquiry regarding Vanderspek’s
16 acceptance of USFL policy 68733. Therefore, the department’s allegation in this regard is not
17 well-founded.

18 On the other hand, Morrow made an untruthful reply to the director’s inquiry by stating
19 in the recorded interview that in September 1997, USFL did not have any delivery requirements.
20 At hearing, Morrow admitted that this statement was untrue but testified that in May 1999 when
21 he gave the recorded interview, he was unaware of USFL delivery requirements. I find this
22 account not credible because in January 1998, when Morrow bound a USFL policy to David
23 Shears, Morrow complied with USFL delivery requirements. Furthermore, the August 1997
24 policy transmittal for USFL policy 68733 lists the delivery receipt in capitol letters and bold
 print. For these reasons, I find that Morrow violated ORS 731.296 in this instance.

1 preponderance of evidence that Morrow and Associates Insurance is subject to administrative
2 action pursuant to 744.013(3). Under the circumstances, revocation of the insurance agent
3 license and the insurance firm license is warranted. Additionally, assessment of a \$4,000 civil
4 penalty is warranted.

5 **ORDER**

6 The insurance agent license issued to Michael M. Morrow shall be revoked. The
7 insurance firm license issued to Morrow and Associates Insurance shall be revoked. A civil
8 penalty of \$4,000 shall be assessed.

9 **IT IS SO ORDERED.**

10 Dated this 13th day of April, 2001.

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Catherine P. Coburn
13 Administrative Law Judge
Hearing Officer Panel

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15 **NOTICE OF OPPORTNITY FOR ADMINISTRATIVE REVIEW**

16 NOTICE: Pursuant to ORS 183.460, the parties are entitled to file written exceptions to
17 this Proposed Order and to present written argument concerning those exceptions to the Director.
18 Written exceptions must be received by the Department of Consumer and Business Services
within 30 days following the date of service of this Proposed Order. Mail exceptions to:

19 Department of Consumer and Business Services
Insurance Division
20 350 Winter Street NE
Salem, OR 97301-3883

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