

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

In the Matter of **Bradford S. Caldeira**) **STIPULATION** and
and **Caldeira Insurance Solutions, Inc.**) **FINAL ORDER**
) Case No. INS 01-05-014
) File No. 2303 IV

STIPULATION

The Director of the Department of Consumer and Business Services (Director) commences the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take action against Braford S. Caldeira (Caldeira) and Caldeira Insurance Solutions, Inc. (CIS) for violating the Oregon Insurance Code.

Caldeira and CIS each enter into this Stipulation to conclude this proceeding without further administrative or judicial proceeding pursuant to ORS 183.415(5) and related rules.

Caldeira and CIS each waive the right to receive a notice of proposed action, to receive a notice of rights and procedures in contested cases, to have a hearing, to be represented by an attorney at the hearing, and to judicial review of the Final Order. Caldeira and CIS each admit and agree to the following facts, conclusions, and action.

Facts and Conclusions

Licensing

Caldeira has been licensed in Oregon as a resident individual agent from 5/1/91 to 5/31/92, from 6/24/92 to 5/31/94, from 8/25/94 to 5/31/96, from 6/21/96 to 5/31/98, from 7/10/98 to 5/31/00 and since 6/6/00. Caldeira's license number is 121570. Caldeira's residence address is 20 Magnolia Drive, Creswell OR 97426-9471 and his residence telephone number 541-895-3007. Caldeira's business address and telephone number are the same as CIS'.

CIS has been licensed in Oregon as a resident firm or corporate agent since 6/17/97. CIS's license number is 809219. CIS is a Oregon corporation. Caldeira is the President and sole shareholder of and only licensed agent employed by CIS. CIS's street address is 134 E 13th #3, Eugene OR 97401 and telephone number is 541-485-2229.

Misrepresentation on Insurance Application

Caldeira violated ORS 746.100 by engaging in the following conduct. On 5/12/99, Caldeira solicited and received from Georgia L. Reese (G. Reese) of Salem Oregon an application dated 5/12/99 for Medicare supplement health insurance to be provided by Pyramid Life Insurance Company (Pyramid Life). Caldeira asked G. Reese question 6(1) which asked if G. Reese was insured under an Medicare supplement health insurance policy. G. Reese said she was insured under a Medicare supplement health insurance policy issued by Regence HMO Oregon. Nevertheless, Caldeira marked the answer "No" on the application. Caldeira asked G. Reese question 8.c. which asked if during the last two years had G. Reese received medical advice, treatment, or taken medication for, among other conditions, any mental disorder. G. Reese told Caldeira that she had been diagnosed with manic depression around 1980, has been taking medication for this condition since then and consults with a physician twice a year for the condition. Nevertheless, Caldeira marked the answer "No" on the application. Subsequently, Caldeira sent the application to Pyramid Life which issued the policy applied for.

Making False Statement to Director

Caldeira violated ORS 731.296 by engaging in the following conduct. Caldeira stated in an undated letter, which the Insurance Division received on 7/13/99 in response to an inquiry letter dated 7/2/99 sent by the Insurance Division to Caldeira, that "[m]y initial call to set the appointment was made with Mrs. [Georgia] Reese and not Milo [Reese]." Caldeira also stated, under oath in a recorded interview conducted by the Insurance Division on 9/7/00, that Caldeira initially called and spoke to Georgia Reese. These statements were false and Caldeira knew that they were false. Caldeira stated in a faxed letter dated 9/7/00, which the Insurance

Division received on 9/10/00, that “[i]n [the interview by the Insurance Division on 9/7/00] I believe you asked if I had a telemarketer at the current time, at the time of the Reese interview [on or about 5/10/99] and lastly at any time ever. I answered No to all three parts of this question which is inaccurate. I do not have a telemarketer now, I have had one in the past, and after checking my tax records I find I did at the time of the [Reese] interview. I have used one person in the past [and that person was] Eleanor Trotter. ... I thought Eleanor quit much earlier than this appt. with Milo and Georgia Reese but this after checking my tax records today is not the case, and explains the confusion as to whom set the appt. and also is why I said I set the appt. ... I have no excuse as to why I said I had never used a telemarketer, other than I think very highly of Eleanor and at the time I thought she had no involvement in this matter whatsoever. It would kill me to see her put in the same interview situation [with the Insurance Division] I was in.” Caldeira had employed Eleanor Trotter (Trotter) from early 1997 to 6/1/99 to call and make insurance sales appointments for Caldeira. Trotter had called Milo Reese on or about 5/10/99 and made an appointment for Caldeira to meet with Milo Reese on 5/12/99.

Failure to Maintain Usual and Customary Records of Insurance Transactions

Caldeira violated ORS 744.024 by failing to retain after 8/99 his file regarding G. Reese.

Action

The Oregon insurance agent license issued to Caldeira and CIS shall be suspended from 7/1/01 to 9/30/01 pursuant to ORS 744.013(1)(a) and (3) respectively.

Caldeira shall pay a civil penalty of \$1,000 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 delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883. Payment shall be received by the Insurance Division by the date of the Final Order.

Dated June 13, 2001

/s/ Braford S. Caldeira
Braford S. Caldeira

FINAL ORDER

The Director makes the following final decision in this proceeding in accordance with ORS 731.248 and 183.415(5) and related rules.

The Director adopts, and incorporates herein by this reference, the Facts, Conclusions, and Action in the above Stipulation as the Findings of Fact, Conclusions of Law, and Order, respectively, of this Final Order.

Dated June 18, 2001

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

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