

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

In the Matter of **Joan H. S. Wilson.**) **FINAL ORDER**
) Case No. INS 02-01-030

The Director of the Oregon Department of Consumer and Business Services (director), by and through the Insurance Division, commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take disciplinary action against Joan H. S. Wilson (Wilson).

On March 13, 2002, the director issued a Notice of Proposed Action (Notice), pursuant to ORS 183.415 and Oregon Administrative Rules (OAR) 137-003-505, proposing to revoke Wilson's Oregon resident insurance agent license pursuant to ORS 744.013(1)(a), and assess Wilson a civil penalty of \$7,000 pursuant to ORS 731.988(1). The Notice informed Wilson that Wilson had a right to a hearing and to be represented by an attorney at the hearing. The Notice also informed Wilson that if the director issued a final order by default, then the director designated a portion of the Insurance Division's investigation file on Wilson as part of the record of this proceeding for the purpose of proving a prima facie case upon default.

The director did not receive from or on behalf of Wilson any request for a hearing.

The director determined that the record of the proceeding proved a prima facie case. Thus, the director did not hold any hearing.

Therefore, the director makes the following final decision in this proceeding in accordance with ORS 731.248 and 183.470, and related rules.

Findings of Fact and Conclusions of Law

Licensing

Wilson was licensed in Oregon as a resident insurance agent from 11/2/90 to 11/30/93, from 2/9/94 to 11/30/95 and from 2/21/96 to 11/30/99. When licensed, Wilson was affiliated with Oregon Commercial Insurance Agency, Inc. (OCIA)

pursuant to ORS 744.031(1) (1999). On 11/30/99, Wilson's license expired because she did not renew it. Wilson's license number was 116820. Wilson's last recorded residence address is 454 E. Gregory Road, Central Point, OR 97502-9429, and telephone number is 541-830-8143. Wilson's last recorded business address was at OCIA, 7571 Crater Lake Highway, Suite 102, White City, OR 97503-1600, and telephone number 541-826-5363. On 7/4/99, without notifying the Insurance Division, Wilson moved, along with OCIA, to 7591 Crater Lake Highway, Suite C, White City, OR 97503-1618.

OCIA has been licensed in Oregon as a resident firm or corporate agent since 10/23/95. OCIA's license number is 807910. From 10/5/95 to 3/02, OCIA was a partnership of Alexa A. Clason (Clason), Dianne M. Strong (Strong), and Wilson. In 2/8/02, Wilson withdrew from the partnership; leaving Clason and Strong as the only partners of OCIA. OCIA's last recorded business street address is 7591 Crater Lake Highway, Suite C, White City, OR 97503-1618, and telephone number is 541-826-5363.

Transacting Insurance as an Agent Without Being Licensed as an Agent

Wilson violated ORS 744.051(1) (1999) by engaging in the following conduct. At all relevant times, Wilson was one of three partners of OCIA and had the same authority as the other partners to manage OCIA. As indicated above, Wilson's license expired on 11/30/99 because she did not renew it. In 12/99, 3/00 and/or 5/00, Wilson communicated with the Insurance Division about what she needed to do to renew her license. In 1/00, Wilson talked to Strong about Wilson needing to renew her Oregon insurance agent license. Wilson never renewed her license. Nevertheless, from 2/9/00 to 3/17/00, Wilson, on behalf of OCIA, solicited, completed and received from seven persons residing in Oregon seven applications for insurance. On 2/22/01, Wilson also issued an insurance binder to Bruce Schulz. The application date, applicant, policy number, and insurer relative to each transaction is as follows:

<u>Date</u>	<u>Applicant</u>	<u>Insurer</u>	<u>Policy Number</u>
2/9/00	Gene Sinks	Progressive Northwestern Ins. Co.	65716436-0
2/16/00	Joseph Smith	Northland Ins. Co.	TN265659
2/17/00	Bruce Schulz	Progressive Northwestern Ins. Co.	04474925-0
2/22/00	Kirk Pelzholdt	Northland Ins. Co.	TN285859
2/24/00	Erwin Martin	Clarendon National Ins. Co.	63D0914382
2/25/00	Stephen Grace	Clarendon National Ins. Co.	63D0914386
3/17/00	Russell Peterson	Clarendon National Ins. Co.	63D0914637

Order

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

Wilson shall pay a civil penalty of \$7,000 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 5:00 PM (PT) on the 71st calendar day after the date of this order pursuant to ORS 183.090(2).

Notice of Judicial Review

Pursuant to ORS 183.480 and 183.482, Wilson 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 after the date this order was sent to Wilson.

Dated April 11, 2002

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

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