

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

In the Matter of **Gregory C. Wells.**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 02-08-013

STIPULATION

The Director of the Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take disciplinary action against Gregory C. Wells (Wells).

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

Wells waives the right to receive a notice of proposed action, to receive a notice of the rights of a party 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.

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

Facts and Conclusions

Licensing

Wells has been licensed in Oregon as a resident insurance agent since 2/10/82.

Withheld Premium From Insured

Wells violated ORS 744.013(2)(d) (1999) in one instance by engaging in the following conduct. On 6/30/00, Wells, on behalf of Greg Wells Insurance, Ltd. (GWI) of Newport, Oregon, received from Mary Holbert also of Newport, Oregon, an application, and a check for \$377 as payment, for workers' compensation insurance to be provided by an unspecified insurer of the Kemper insurance group. On or about 7/7/00, Wells sent to the general agent of the insurer the application; and a check, drawn on GWI's insurance premium trust account, forwarding the payment. On 8/4/00, Wells received from the general agent a memo informing Wells that the insurer would not provide the insurance applied for and would return the check uncashed. Wells did not inform Holbert that the insurer would not provide the

insurance. Wells was not authorized by Holbert to keep the money that Holbert paid to Wells for the insurance after Wells knew that the insurer would not provide the insurance. However, Wells kept the money from 8/4/00 to 12/22/00. On 12/22/00, Wells returned the money to Holbert.

Action

Pursuant to ORS 731.988, Wells shall pay a civil penalty of \$1,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883. The payment shall be received by the Insurance Division by 5:00 PM on 12/20/02.

Dated October 23, 2002

/s/ Gregory C. Wells
Gregory C. Wells

FINAL ORDER

The director adopts, and incorporates herein by this reference, the above Stipulation as the director's final decision in this proceeding.

Dated November 4, 2002

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

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