

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

In the Matter of **William G. Zuver.**

) **FINAL ORDER**  
) Case No. INS 03-03-013

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against William G. Zuver (Zuver).

On March 19, 2003, the director issued a Notice of Proposed Action, pursuant to ORS 183.415 and related rules. The notice informed the party that the director proposed to take certain enforcement action against the party, the party was entitled to a hearing, and the party had to request a hearing in writing within 21 days if the party wanted a hearing. The notice also informed the party that the record of the proceeding then to date, including the designated portion of the Insurance Division's file on the party, would automatically become part of the contested case record for purposes of proving a prima facie case if the party did not request a hearing within the time allowed to make the request.

The director did not receive a request for a hearing.

The director reviewed the designated portion of the Insurance Division's investigation file on the party and found that it proves a prima facie case.

Therefore, director now 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

Zuver has been licensed in Oregon as a resident insurance agent since 4/18/88. Zuver's current license number is 112939. Zuver's last recorded residence address was in Winston, Oregon.

### Engaged in Dishonest Conduct

Zuver violated ORS 744.013(2)(g) (1999) in one instance by engaging in the following conduct. On or about 1/01, Kenneth S. and Kamela D. Hill (Hill) decided to purchase a new residence located at 1143 Hawthorne, Myrtle Creek, Oregon. Hill contracted with Douglas County Title Company (DCTC) to perform the closing escrow service for the purchase of the residence. Hill applied to a bank for a loan to purchase the residence. The bank required that Hill obtain insurance covering the residence and provide proof thereof. Hill applied for the insurance through Zuver from Oregon Mutual Insurance Company (Oregon Mutual). On 1/24/01, the escrow was closed. On the same date, DCTC, on behalf of Hill, issued a check, number 35357 dated 1/24/01 in the amount of \$306, as payment of the annual premium for the insurance. DCTC mailed the check to Zuver and Zuver received the check. On 3/27/01, 62 days later, Zuver deposited the check to an operating account rather than into an insurance premium trust account. Between 1/01 and 4/01, Hill received from the bank periodic notices that it had not received any proof of insurance. On or about 4/01, Hill called Zuver and requested written proof of insurance. Zuver told Hill that if they came to his office then he would give them written proof of insurance. On or about 4/01, Hill went to Zuver's office where Zuver personally gave them a declarations page purportedly for an insurance policy, number PP 143366, effective from 1/26/01 to 1/26/02, issued by Oregon Mutual insuring Hill's residence located at 1143 Hawthorne, Myrtle Creek, Oregon. However, the declarations page was fictitious and Zuver knew or should have known that it was fictitious. Zuver had signed the declarations page as the authorized representative of Oregon Mutual. However, Zuver had not sent to Oregon Mutual any application, or payment of the premium, by Hill for a policy. Oregon Mutual had not issued any policy to Hill. The policy number on the declaration page was not assigned to any policy issued by Oregon Mutual. Oregon Mutual did not issue the declarations page that Zuver gave to Hill. Oregon Mutual had not authorized Zuver to issue any declarations page. Zuver or some other person prepared the declarations page by using a declarations page that Oregon

Mutual had issued to another person, altering it by obscuring certain information by an unknown means, and then typing new information in place of the obscured information. The type font on declaration page was different than the type font used by Oregon Mutual. Also, the alignment of some of the numbers on the declarations page were aligned differently than they would be on a declarations page issued by Oregon Mutual. On or about 4/02, Hill discovered that Oregon Mutual had not issued any policy to Hill. On or about 5/02, Hill purchased the insurance through another agency from Oregon Mutual. However, since Hill was not insured during the intervening period of time, the bank charged Hill about \$1,500 for the cost to the bank to purchase collateral protection insurance insuring the bank for any physical damage to the residence. On or about 10/02, the bank credited to Hill the charges for the collateral protection insurance.

Failed to Deposit Insurance Premium into Trust Account

Zuver violated ORS 744.225 (1999) in one instance by receiving the above described check that Zuver received from DCTC on behalf of Hill as payment of the premium for the insurance which Hill applied for from Oregon Mutual, and depositing the check into an operating account, rather than into an insurance premium trust account.

Misappropriated Insurance Premium

Zuver violated ORS 744.013(2)(d) (1999) in one instance by receiving the above described check that Zuver received from DCTC on behalf of Hill as payment of the premium for the insurance which Hill applied for from Oregon Mutual, but never paying the money to Oregon Mutual.

Failed to Keep Record of Insurance Transaction

Zuver violated ORS 744.024(3) (1999) in one instance by failing to keep any record of the Hill transaction described above.

**Order**

Pursuant to ORS 744.013(1) (1999), the Oregon license as an insurance agent issued to Zuver shall be revoked on the date of this order.

**Notice of Judicial Review**

Pursuant to ORS 183.480 and 183.482, the party 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 the party.

Dated May 6, 2003

/s/ Cory Streisinger  
Cory Streisinger  
Director  
Department of Consumer and Business Services

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