

conversation, Buchheit told Bellamy that that the Buchheits were concerned that, even though the accident was not there fault, the parents of the other driver would sue them. Buchheit and Bellamy decided to meet to discuss the Buchheits' present insurance coverages. On 1/23/02, Bellamy met with Buchheit at his home. Bellamy felt "compassion" for the Buchheits and wanted to provide them some "comfort." So, during the meeting, Bellamy recommended to Buchheit that he request to increase the liability limits from 50/100/50 to 250/500/100 of his automobile insurance policy, number 36-A-C8064-0, issued by American National Property and Casualty Company (ANPCC). Buchheit agreed with Bellamy's recommendation. Buchheit did not pay Bellamy any money for the request to increase the liability limits on his automobile insurance policy. Also during the meeting, Buchheit told Bellamy that he would like to purchase an umbrella liability insurance policy. So Bellamy completed an application for an umbrella liability insurance policy, with a limit of \$1 million, to be issued by ANPCC. On the application, Bellamy answered "No" to question 1 which asked "Are there any claims pending and/or liability losses in the past 5 years?" (Emphasis added.) Also on the application, Bellamy wrote that the proposed effective date for the insurance was 1/5/02, which was before the date of the accident on 1/18/02. Bellamy signed the application and dated it 1/5/02 at 9:00 AM. Buchheit was aware of the requested effective date, the date Bellamy dated the application, and that such dates were before the date of the accident. Buchheit signed the application. Buchheit gave Bellamy \$186 in cash as payment of the premium for the umbrella liability insurance policy. Bellamy did not receive and was not offered any compensation or other benefit of any type for backdating the request and application. After the meeting, and on the same date, Bellamy used the money that he had received from Buchheit to purchase a money order. When Bellamy returned to his office, Bellamy electronically sent to ANPCC a request to increase the liability limits of the Buchheit's automobile insurance policy effective on 1/5/02. Also, Bellamy mailed the umbrella liability insurance application, and the money order, to ANPCC. On 1/30/03, ANPCC received the application and money order. On 2/2/02, Bellamy informed a representative of ANPCC that he had

backdated the request and application. On 2/8/03, ANPCC terminated its appointment of Bellamy.

Action

Pursuant to ORS 744.074(1), Bellamy's Oregon resident insurance agent license is suspended for six months from 12/1/03 to 5/31/04.

Pursuant to ORS 731.988, Bellamy is assessed a civil penalty of \$1,000. The payment of the civil penalty 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 to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883, or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division by the date of the Final Order.

Dated November 18, 2003

/s/ John D. Bellamy
John D. Bellamy

FINAL ORDER

The director incorporates herein the above Stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated December 9, 2003

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

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