

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

In the Matter of **Ryan D. Brown.**) **FINAL ORDER**
) Case No. INS 03-12-003

History of the Proceeding

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 Ryan D. Brown (Brown).

On January 26, 2004, the director issued to the party a notice of proposed action, pursuant to ORS 183.415. The notice informed the party that they were entitled to a hearing, and if they did not timely request a hearing then the record of the proceeding, including the designated portion of the Insurance Division's file of the investigation of the party, would automatically become part of the contested case record for purposes of proving a *prima facie* case.

The director did not receive a request for a hearing.

The director did not hold a hearing because the director determined that the record of the proceeding proved a *prima facie* case and no further evidence was needed.

Therefore, the 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 Information

Brown was licensed in Oregon as a resident insurance agent from 6/7/00 to 6/30/02. On 6/30/02, Brown's license expired because he did not renew it.

Withheld Insurance Application and Premium

Brown violated ORS 744.013(2)(d) (1999) in two instances by engaging in the following conduct. ORS 744.013(2)(d) (1999) prohibits a person licensed in Oregon

as an insurance agent from misappropriating, illegally withholding, or converting applications or premium for insurance belonging to an insurer, agent or other person entitled to the application or premium. At all relevant times, Brown was obligated by Country Mutual Insurance Company (Country Mutual) to forward binders, applications and premium to Country Mutual within 30 days of receipt.

1. On or about 11/15/00, Brown issued a binder, on behalf of Country Mutual, providing temporary property insurance to Dennis Cannon (Cannon) of Klamath Falls, Oregon. The binder indicated that the estimated annual premium for the insurance was \$452.77. On 11/21/00, AmeriTitle, Inc. (AmeriTitle), a title and escrow company, on behalf of Cannon, issued a check, number unknown, dated 11/21/00, made payable to "Country Companies (Attn: Ryan Brown, Agent)," in the amount of \$452.77, as payment of the estimated annual premium. The first check was never negotiated. On or about 8/23/01, AmeriTitle issued a second check, number 87311, dated 8/23/01, made payable to "Country Companies (Attn: Ryan Brown, Agent)," in the amount of \$452.77, to replace the first check. Brown received the second check and placed it in his file about Cannon. On 1/25/02, Country Mutual terminated Brown. Brown did not forward to Country Mutual a copy of the binder, any application, or any premium payment. On 2/13/02, during an audit of Brown's files, Country Mutual discovered a copy of the binder and the unnegotiated second check.

2. On or about 11/16/00, Brown issued a binder, on behalf of Country Mutual, providing temporary property insurance to Annette Linehan (Linehan) of Eagle River Alaska covering property located in Klamath Falls, Oregon. The binder indicated that the estimated annual premium for the insurance was \$452.39. On 12/3/01, AmeriTitle, on behalf of Linehan, issued a check, 90715, dated 12/3/01, made payable to "Country Companies - Ryan Brown, Agent," in the amount of \$453.00, as payment of the estimated annual premium. Brown received the check and placed it in his file about Linehan. On 1/25/02, Country Mutual terminated Brown. Brown did not forward to Country Mutual a copy of the binder, any

application, or any premium payment. On 2/13/02, during an audit of Brown's files, Country Mutual discovered the unnegotiated check.

Order

Pursuant to ORS 744.013(1) (1999) and 744.011, Brown's expired Oregon resident insurance agent license is revoked on the date of this order.

Notice of Right to Judicial Review

The party may have the right to appeal the order to the Oregon Court of Appeals pursuant to ORS 183.480 and 183.482. If a party wants to appeal the order, the party must file a petition for judicial review with the Court of Appeals within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the day the party received the order. If the order was mailed to a party, then the date of service is the day the order was mailed to the party, not the day the party received the order. If a party does not file a petition for judicial review within the 60-day time period, then the party will lose the right to appeal this order. If a party appeals the order, the party should also send a copy of the petition to the Insurance Division.

Dated August 25, 2004

/s/ Joel Ario
Joel Ario
Administrator
Insurance Division
Department of Consumer and Business Services

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