

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

In the Matter of **Gary S. Alton.**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 03-12-016

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 enforcement action against Gary S. Alton (Alton).

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

Alton waives the right to receive a notice of proposed action, receive a notice of the rights of a party and procedures in contested cases, have a hearing, be represented by an attorney at the hearing, receive a proposed order, file exceptions to the proposed order, and have the final order judicially reviewed.

Alton stipulates to the following facts, conclusions, and action; and consents to issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

Alton has been licensed in Oregon as a resident insurance agent since 2/28/91. Alton's current license number is 120580. Alton's last recorded residence address is located in Portland, Oregon.

Made False Statement on or Relative to an Insurance Application

Alton violated ORS 746.100 in two instances by engaging in the following conduct:

1. On or about 10/13/00, Alton solicited, completed and received from Julie M. Niegsch (Niegsch) of Portland, Oregon, an application for individual health insurance to be provided by LifeWise. On the application, Alton signed Niegsch's initials "IN" on the application in Section 3 to the left of the statement " _____"

(INITIALS) MY EMPLOYER IS NOT PAYING FOR THE PREMIUM FOR THIS INDIVIDUAL POLICY (INCLUDING CAFETERIA PLANS).” After completing page one of the application and initialing Section 3, Alton reviewed the application with Niegsch but he did not inform her that he had signed her initials.

Subsequently, Alton sent or caused to be sent to LifeWise the application. Thus, Alton misrepresented to LifeWise that the applicant initialed the statement.

2. On or about 2/12/01, Alton solicited, completed and received from Jean A. Anderson (Anderson) of Tigard, Oregon, an application for individual health insurance to be provided by LifeWise. On the application, Alton signed Anderson’s initials “JA” on the application in Section 3 to the left of the statement “ _____ (INITIALS) MY EMPLOYER IS NOT PAYING FOR THE PREMIUM FOR THIS INDIVIDUAL POLICY (INCLUDING CAFETERIA PLANS).” After completing page one of the application and initialing Section 3, Alton reviewed the application with Anderson but he did not inform her that he had signed her initials.

Subsequently, Alton sent or caused to be sent to LifeWise the application. Thus, Alton misrepresented to LifeWise that the applicant initialed the statement.

Action

Pursuant to ORS 731.988, Alton is assessed a civil penalty of \$2,000. 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 March 11, 2004

/s/ Gary S. Alton
Gary S. Alton

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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 March 24, 2004

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

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