

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

In the Matter of **Michael F. Haller** and
Haller Insurance Services, Inc.

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 04-01-004

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 Michael F. Haller (Haller)and Haller Insurance Services, Inc. (HIS).

Haller and HIS enter into this stipulation, pursuant to ORS 183.415(5), to conclude this proceeding without further administrative or judicial proceedings.

Haller and HIS waive 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.

Haller and HIS stipulate to the following facts, conclusions, and action; and consents to issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

Haller has been licensed in Oregon as a nonresident insurance agent since 3/10/99. Haller's current license number is 149113. Haller's last recorded residence address is located in Redmond, Washington. Haller's last recorded business street address is located in Woodinville, Washington.

HIS has been licensed in Oregon as a nonresident insurance agent since 3/11/99. HIS' current license number is 810634. HIS' last recorded business street address is located in Woodinville, Washington.

Failed to Report Enforcement Action by Other State Insurance Regulator

Haller violated ORS 744.089(1) in one instance by engaging in the following conduct. ORS 744.089(1) requires a person licensed in Oregon as an insurance agent to notify the Insurance Division of any administrative action taken against the person, and provide a copy of the order, within 30 days of the final disposition of the action. On 2/14/03, the insurance regulator for the State of Washington issued an order, number D03-34, initially assessing Haller a civil penalty of \$10,000, but suspending \$7,500 of the \$10,000 if certain conditions were met, and requiring Haller to pay the balance of \$2,500. The insurance regulator took the action because the insurance regulator discovered during an on site financial examination of Haller and HIS that Haller had been using premium funds from HIS' premium trust account to pay for HIS' business operations in addition to paying premiums. As of 8/18/02, the premium account had a shortfall of approximately \$86,058. Hall admitted that he was aware of the shortage, but did not agree with the amount of the shortage. From 8/18/02 to 11/5/02, Hall deposited over \$70,820 into the premium account and corrected some balances in the general ledger. As of 11/5/02, the premium account had an overage of \$1,387.87. On 3/13/03, Haller paid the \$2,500. The order became final on 2/14/03. Thus, Haller was required to notify the Oregon Insurance Division of the action, and provide a copy of the order, by 3/16/03. Haller has not notified the Oregon Insurance Division of the action or provided a copy of the order.

Failed to Report Enforcement Action by Other State Insurance Regulator

HIS violated ORS 744.089(1) in one instance by engaging in the following conduct. On 2/14/03, the insurance regulator for the State of Washington issued an order, number D03-34, requiring HIS to correct some of its insurance premium trust account procedures to comply with certain Washington insurance regulatory laws and to make quarterly reports to the insurance regulator for a year, in lieu of the insurance regulator suspending or revoking HIS' Washington resident insurance agent license. The insurance regulator took the action for the reason explained above. The order became final on 2/14/03. Thus, HIS was required to notify the

Oregon Insurance Division of the action, and provide a copy of the order, by 3/16/03. HIS has not notified the Oregon Insurance Division of the action or provided a copy of the order.

Action

Pursuant to ORS 731.988, Haller and HIS are each assessed a civil penalty of \$200. 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 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 February 1, 2004

/s/ Michael F. Haller
Michael F. Haller

/s/ Michael F. Haller
Michael F. Haller
President
Haller Insurance Services, Inc.

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 1, 2004

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

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