

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

In the Matter of **Lindsey V. Kavic.**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 04-02-013

STIPULATION

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 Lindsey V. Kavic (Kavic).

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

Kavic 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.

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

Facts and Conclusions

Licensing Information

Kavic has been licensed in Oregon as a resident insurance agent since 4/21/87. Kavic's current license number is 106595. Kavic's last recorded residence address is located in Springfield, Oregon. Kavic's last recorded business address is located in Springfield, Oregon.

Made False Statement About Financial Condition of Insurer

Kavic violated ORS 746.075(2)(c) in two instances by engaging in the following conduct. ORS 746.075(2)(c) prohibits an insurance agent from making any false or misleading representation as to the financial condition of an insurer.

1. On 3/17/03, Kavic solicited and received from Arlene Hoy (Hoy) an application to UAIC for a Medicare supplemental insurance policy, number

574632408, to be effective 5/1/03. Hoy was then insured by Bankers Life and Casualty Company (BLCC). Hoy decided to replace the BLCC policy because Kavic stated that BLCC was going bankrupt, and she could obtain the same coverage for a lower premium. On or about 3/24/03, UAIC received the application and issued the policy as applied for. After UAIC issued the policy, Hoy learned that BLCC was not going bankrupt. Hoy subsequently rescinded the UAIC policy back to its effective date and reinstated the BLCC policy.

2. On 6/20/03, Kavic solicited and received from Joanne M. Barnes (Barnes) of Sutherlin, Oregon, two applications to United American Insurance Company (UAIC) for insurance. One application was for a Medicare supplemental insurance policy, number 574636843, to be effective 9/1/03. The other application was for a long term care policy, number 573144714, to be effective 9/1/03. Barnes was then insured by BLCC. Barnes decided to replace the BLCC policy because Kavic stated that BLCC was going bankrupt, and she could obtain the same coverage for a lower premium. On 6/28/03, UAIC received the applications from and issued the policies as applied for. After UAIC issued the policies, Barnes learned that BLCC was not going bankrupt. Barnes rescinded the UAIC policies back to the effective date and reinstated her BLCC policies.

Action

Pursuant to ORS 731.988, Kavic is assessed a civil penalty of \$1,000. 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 before the date of the final order.

Dated May 13, 2004

/s/ Lindsey V. Kavic
Lindsey V. Kavic

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 May 27, 2004

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

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