

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

In the Matter of **Jamie A. Horton.** ) **FINAL ORDER**  
 ) Case No. INS 04-03-027

**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 Jamie A. Horton (Horton).

On 7/30/04, 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.

The director did not receive a request for a hearing and 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.

**Findings of Fact and Conclusions of Law**

Licensing Information

J. Horton has been licensed in Oregon as a resident insurance agent from 4/3/00 to 4/30/04. On 4/30/04, J. Horton's license expired because she did not renew it.

Made False Statement on or Relative to an Insurance Application and Misappropriated Insurance Premium

J. Horton violated ORS 746.100 and 744.074(1)(d) and in one instance each by engaging in the following conduct. ORS 746.100 prohibits a person from making a false or fraudulent statement or representation on or relative to an application for insurance. ORS 744.074(1)(d) prohibits a person licensed in Oregon as an insurance agent from misappropriating, withholding, or converting premium for insurance belonging to an insurer, agent or other person entitled to the premium. On or about 3/4/02, J Horton provided to Ginger Horton (G Horton) of Clackamas, Oregon a

proposal for homeowners insurance to be provided by State Farm Fire and Casualty Company (State Farm). The proposed policy period was to be 3/28/02 to 3/28/03. The proposed annual premium for the proposed policy was \$586.00. The proposed limit of coverage was \$280,500 with a deductible of \$1,000. G Horton accepted the proposal. On or about 3/15/02, J. Horton completed or caused to be completed an application. However, the application indicated that the limit of coverage was \$396,600 and the deductible was \$2,000, and the annual premium was \$834. On the application, J Horton wrote a note to an underwriter named "Leona" saying "This is my in-laws. We discussed this app[lication] last week. [A]pp[lication is] late due to getting loss info[rmation] from Farmers." G Horton did not see or sign the application. On 5/3/02, G Horton gave to J Horton a check, number 3123, dated 5/3/02, in the amount of \$586 and made payable to State Farm. On or about 5/10/02, J Horton deposited or caused to be deposited the check into Randy Rugg Insurance Agency, Inc.'s (RRIA) insurance premium trust account, number 153691216466, at US Bank. Shortly before 5/15/02, J Horton mailed the application to State Farm. In addition to the coverage limit, deductible and annual premium on the application being different on the proposal that G Horton accepted, the application also indicated that the amount paid by G Horton was zero. All of these representations on the application were false and J Horton knew that it was false. On or about 5/10/02, J Horton caused \$286 to be credited to J Horton's personal monthly payment account, called a State Farm Payment Plan (SFPP), number 0414-4139-15, and the remaining \$300 to be credited to Alicia Lund's SFPP account, number 0434-8118-15. J Horton used \$186 of the \$286 that was credited to J Horton's SFPP to pay the premium for one or more policies issued to J Horton by State Farm. J Horton used all of the \$300 that was credited to Lund's SFPP to pay the premium for Lund's automobile insurance policy issued by State Farm. On or about 5/13/02, J Horton requested State Farm add G Horton's policy to J Horton's SFPP. J Horton used the remaining \$100 that had been credited to J Horton's SFPP to pay part of the premium for G Horton's policy. G Horton did not authorize J Horton to make this request, or to use only \$100 of the \$586 to pay part of the

premium for G Horton's policy. On or about 5/15/02, State Farm received the application. On or about 5/21/02, State Farm issued to G Horton a policy, number 37-C6-8323-8. The policy period was from 3/28/02 to 3/28/03, and the annual premium was \$650. On 5/28/02, J Horton requested State Farm to decrease the coverage from \$396,600 to \$259,100 which decreased the adjusted premium for the policy period from \$650 to \$414.26. G Horton did not authorize J Horton to make the request. On 6/28/02, 7/28/02, and 8/28/02 each, J Horton caused \$43.59, for a total of \$130.77, to be withdrawn from her SFPP to pay part of the premium for G Horton's policy. On 9/28/02, J Horton did not make the monthly payment. As a result, State Farm cancelled G Horton's policy effective 10/19/02. On 12/20/02, Randy Rugg Insurance Agency, Inc. sent to State Farm a check in the amount of \$183.49 to pay the outstanding balance of the premium for the G Horton's policy. At that point, State Farm had received and applied to G Horton's policy a total of \$414.26, which was the adjusted annual premium for the policy. On 11/12/02, G Horton's policy was removed from J Horton's SFPP. On or about 11/26/03, State Farm reimbursed G Horton \$171.74 which represented the difference between the \$586 that she paid J Horton on 5/3/02, and the total of \$414.26 that had been paid to State Farm and applied to her policy.

### **Order**

Pursuant to ORS 744.074(1) and 744.011, Horton'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 September 20, 2004

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

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