

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

In the Matter of **John G. B. Allen**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 04-04-002

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 John G. B. Allen (Allen).

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

Allen 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.

Allen 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

Allen has been licensed in Oregon as a nonresident insurance agent since 1/15/02.

Made False Statement on Insurance License Application

Allen violated ORS 744.074(1)(a) in one instance by engaging in the following conduct. ORS 744.074(1)(a) prohibits a person that applies for an Oregon insurance agent license from providing incorrect, misleading, incomplete or materially untrue information in an application for the license. On 12/18/01, the Insurance Division received from Allen an Oregon nonresident insurance agent license application dated 12/3/01. On the application, Allen answered "No" to question 9 which asked "Have you ever had a fine applied against your license, agency permit, certificate, approval, registration or similar form of permission?" Allen's answer was incorrect and Allen

knew or should have reasonably known that the answer was incorrect because on 4/26/01, the insurance regulator for the State of Pennsylvania issued an order, number CO00-03-026, ordering Allen, and Dolliff, Inc. (Dolliff), Allen's then employer, to cease and desist from the violations described therein, and assessing Allen individually a civil penalty of \$8,000.

Failed to Report Enforcement Action by Other State Insurance Regulator

Allen violated ORS 744.089(1) in two instances 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 enforcement action taken against the person, and provide a copy of the order, within 30 days of the final disposition of the action.

1. On 1/6/04, the insurance regulator for the State of Pennsylvania issued an order, number CO03-11-009, ordering Allen and Dolliff to cease and desist from the violations described therein, and assessing Allen individually another civil penalty of \$7,000. The action was finally disposed of on 1/6/04. Thus, Allen was required to notify the Insurance Division of the action, and provide a copy of the order, by 2/5/04. Allen has not notified the Insurance Division of the action or provided a copy of the order.

2. On 8/12/04, the insurance regulator for the State of South Dakota issued an order assessing Allen a civil penalty of \$500. The insurance regulator took the action because Allen failed to report to South Dakota Pennsylvania's second administrative action described above. The action was finally disposed of on 8/12/04. Thus, Allen was required to notify the Insurance Division of the action, and provide a copy of the order, by 9/13/04. Allen has not notified the Insurance Division of the action or provided a copy of the order.

Action

Pursuant to ORS 731.988, Allen is assessed a civil penalty of \$1,400. 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 the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailed to the Insurance Division

at PO Box 14480, Salem, OR 97309-0405. The payment is due on, and shall be received by the Insurance Division by, the date of the final order.

Dated September 27, 2004 /s/ John G. B. Allen
John G. B. Allen

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 October 7, 2004 /s/ Joel Ario
Joel Ario
Administrator
Insurance Division
Department of Consumer and Business Services

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