

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

In the Matter of **Tim C. Lancaster.** ) **STIPULATION** and  
 ) **FINAL ORDER**  
 ) Case No. INS 04-05-002

**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 Tim C. Lancaster (Lancaster).

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

Lancaster 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.

Lancaster 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

Lancaster has been licensed in Oregon as a resident insurance agent from 5/30/90 to 5/31/99, from 5/23/00 to 5/31/01, from 7/16/01 to 5/31/03 and since 6/5/03. Lancaster's current license number is 108356. Lancaster's last recorded residence and business addresses are located in Klamath Falls, Oregon.

Made False Statement on or Relative to an Insurance Application

Lancaster violated ORS 746.100 in one instance 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. At all relevant times, Lancaster was an authorized agent of Eternal Hills Memorial

Gardens & Funeral Home, Inc. (Eternal Hills) which was an authorized agent of Forethought Life Insurance Company (Forethought) and as such was authorized to solicit and receive applications, and premium payments, for insurance to be provided by Forethought. On 6/11/03, Alex Meyjes (Meyjes) and Athena Regan (Regan), on behalf of Eternal Hills, met with Mary E. Buzzard (Buzzard) of Klamath Falls, Oregon at her residence. Buzzard was suffering from lung cancer and was receiving hospice. Buzzard wanted to buy some life insurance to pay for her funeral expenses. Meyjes and Regan were employees of Eternal Hills but were not licensed in Oregon as insurance agents. Meyjes asked Buzzard for certain information to complete an application for life insurance to be provided by Forethought, and recorded some of Buzzard's responses on the application. Meyjes asked Buzzard the health questions in section 3a, but did not record her answers. Meyjes also did not complete the agent's statement section on the application. Meyjes did not complete these sections because Lancaster, the Executive Vice President of Eternal Hills, had instructed Meyjes to complete each Forethought insurance application except for these two sections. The first health question asked, in relevant party, "Are you currently confined to ... hospice ...?" The second health question, in relevant part, was "During the last five years have you been diagnosed as having, or have you received active treatment from a medical practitioner for **any** of the following: ... Cancer ...? (Emphasis in original). Meyjes solicited and received from Buzzard \$25.00 in cash as payment of the first monthly premium for the insurance. Meyjes gave Buzzard a receipt for the payment, receipt 724992. On 6/11/03, Meyjes gave the completed application and cash to Jamie Morris (Morris), another employee of Eternal Hills. On 6/11/03, Morris gave the application to Lancaster. On or about 6/12/03, Morris deposited the cash, along with other monies, into Eternal Hills' only checking account, number 180012408, at South Valley Bank & Trust in Klamath Falls, Oregon. Lancaster marked "no" to both of the health questions on the application. The agent's statement section on the application contained, *inter alia*, the statement that "If the Health Questions are completed, I certify that the information was provided directly by the Proposed

Insured.” As indicated above, Lancaster completed the health questions. Lancaster signed the statement. Someone at Eternal Hills issued a check, number 16727, dated 6/16/03, in the amount of \$88.72, made payable to “Forethought Group, Inc.”, and drawn on Eternal Hills’ checking account. The amount included the \$25 that Buzzard had paid to Meyjes. Lancaster sent or caused to be sent to Forethought the application and the check. On or about 6/24/03, Forethought received the application and check. Based on the application and payment received, Forethought issued to Buzzard a life insurance policy, number 6041958. Thus, Lancaster knowingly misrepresented to Forethought that the answers to the health questions were provided by Buzzard to Lancaster.

### **Action**

Pursuant to ORS 731.988, Lancaster 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 the Labor and Industries Building, 350 Winter Street NE, Room 440 (4<sup>th</sup> 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 May 15, 2004

/s/ Tim C. Lancaster  
Tim C. Lancaster

### **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 June 4, 2004

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