

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

In the Matter of **Val T. Stratford**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 05-07-003

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 Val T. Stratford (Stratford).

Stratford enters into this stipulation pursuant to ORS 183.415(5).

Stratford waives all rights relative to an administrative hearing and judicial review thereof.

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

Facts and Conclusions

Licensing Information

Stratford has been licensed in Oregon as a nonresident individual producer since 10/12/94. Stratford's last recorded business address is located in Bountiful, Utah.

Enforcement Action by Other State Insurance Regulator

Stratford is subject to enforcement action pursuant to ORS 744.074(1)(i) in one instance because of the following circumstances. ORS 744.074(1)(i) subjects a person to enforcement action when another state insurance regulator cancels, revokes, suspends, or refuses to renew, the person's license in that state as an insurance agent, adjuster or consultant. On 11/3/04, the insurance regulator for the State of Utah issued an order, number 2004-394-PC, suspending Stratford's Utah nonresident insurance agent license for 12 months beginning on 11/3/04, placing Stratford's Utah license on probation for 24 months beginning on 11/3/05, and assessing him a fine of \$5,000 of which \$2,500 was suspended subject to Stratford

successfully completing the probation. The regulator took the action because the regulator found that Stratford violated various provisions of the Utah Insurance Code by engaging in the following misconduct. (1) On or about 6/16/03, Stratford altered a Commercial Umbrella Policy Declaration Page, changing the name of the insured, the policy period, business description, and the total premium information, creating the appearance that a business named Reynolds Brothers, Inc. had in place a commercial umbrella policy in the amount of \$5,000,000.00, when no such policy existed, and provided the declaration page to the business. (2) When the regulator questioned Stratford about the declaration page provided to the business, Stratford gave inaccurate information. (3) During the year 2003, Stratford caused a Certificate of Insurance to be prepared for FS Armitage Sons, Inc., for work being done by its employees on a single job in Nevada, showing workers compensation insurance being provided by Advantage Workers Compensation Insurance Company when Stratford knew that the policy of insurance was provided by Worker's Compensation Fund of Utah and not Advantage Workers Compensation Insurance Company. (4) On or about 1/12/04, Stratford caused and allowed false or misleading information to be provided to an insurer about the mileage radius driven by Hugoe Trucking and the types of goods hauled.

Failed to Report Enforcement Action by Other State Insurance Regulator

Stratford 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 11/3/04, the insurance regulator for the State of Utah issued an order, *inter alia*, suspending Stratford's Utah resident insurance producer license, as described above. The action was finally disposed of on 11/3/04. Thus, Stratford was required to notify the Insurance Division of the action, and provide a copy of the order, by 12/3/04. Stratford did not notify the Insurance Division of the action or provided a copy of the order.

2. On 2/2/05, the insurance regulator for the State of South Dakota issued an order, unnumbered, suspending Stratford's South Dakota nonresident insurance producer license from 2/2/05 to 11/3/05. The regulator took the action because the insurance regulator for the State of Utah issued an order, *inter alia*, suspending Stratford's Utah resident insurance producer license, as described above. The action was finally disposed of on 2/2/05. Thus, Stratford was required to notify the Insurance Division of the action, and provide a copy of the order, by 3/4/05. Stratford did not notify the Insurance Division of the action or provided a copy of the order.

Action

As consideration for the director not taking any enforcement action in this proceeding, Stratford surrenders his Oregon nonresident insurance producer license effective on the date of this stipulation, and shall never apply for any license authorized by ORS Chapter 744.

Dated July 26, 2005

/s/ Val T. Stratford
Val T. Stratford

FINAL ORDER

The director incorporates herein and adopts the above stipulation as the director's final decision in this proceeding, and orders that no enforcement action shall be taken.

Dated August 8, 2005

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

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