

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

In the Matter of **Philip S. Dollar**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 05-12-007

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 Philip S. Dollar (Dollar).

Dollar desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

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

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

Facts and Conclusions

Dollar has been licensed in Oregon as a resident individual insurance producer since 11/25/88. Dollar's last recorded residence and business address is located in Portland, Oregon.

Dollar violated ORS 744.074 (1)(h) in three instances by engaging in the following conduct. ORS 744.074(1)(h) prohibits a person from using a fraudulent, coercive or dishonest practice, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Oregon or elsewhere.

1. On or about 1/10/03, Dollar, on behalf of LaPorte & Associates, Inc. (LaPorte), knowingly misrepresented to Western Automatic Sprinkler Company, Inc. (WASC) of LaGrande, Oregon, that the premium for a commercial general liability insurance policy, number K2HA122005, issued by Royal Surplus Lines Insurance Company (RSLIC) for the policy year of 2003 was \$3,992.00 more than it actually was. The

additional amount was for a different policy that WASC applied for but was cancelled with a minimum earned premium due. On or about 1/10/03, LaPorte received the money from WASC. On 1/17/03, LaPorte deposited the money into its insurance premium trust account, number 201-6953176, at Wells Fargo Bank. On 4/16/04, 15 months later, LaPorte refunded the money to WASC.

2. On or about 4/16/04, when LaPorte refunded the money to WASC, Dollar mailed to WASC the refund check and accompanying invoice both of which indicated that the money was an “audit return” relative to the RSLIC policy. This representation was not true and Dollar knew that it was not true. In a recorded statement under oath to the Insurance Division on 8/23/05, Dollar indicated that the money was not the result of an audit of the RSLIC policy.

3. On or about 5/3/04, Dollar sent a letter dated 5/3/04 to WASC explaining the various costs that Dollar had charged WASC relative to the RSLIC policy. In the letter, Dollar stated that “the Estimated Deposit Premium was an estimate based upon our negotiations as of the end of December 2002. We had not yet completed our negotiations with Sterling West but we had agreed on a ‘not to exceed’ premium and based our invoice on that amount. We were able to negotiate more favorable terms and retained the premium for contingencies such as inspection fees, completed job registry fees, audit charges, etc.” This representation was not true and Dollar knew that it was not true. In a recorded statement under oath to the Insurance Division on 8/23/05, Dollar indicated that the total amount of premium for the RSLIC policy was known by 12/31/02 and not subject to any subsequent change as a result of any further negotiation.

Action

Pursuant to ORS 731.988, Dollar is assessed a civil penalty of \$4,000. 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 (4th Floor), Salem, Oregon; or mailed to the Insurance

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

Dated February 23, 2006

/s/ Philip S. Dollar
Philip S. Dollar

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 March 13, 2006

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

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