

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

In the Matter of **Patsy G. Hanson**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 06-08-019

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 Patsy G. Hanson (Hanson).

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

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

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

Facts and Conclusions

Licensing Information

Hanson has been licensed in Oregon as a resident individual insurance producer since 1/14/91. Hanson's last recorded residence and business address is located in Tualatin, Oregon.

Demonstrated Incompetence in Business

Hanson is subject to enforcement action pursuant to ORS 744.013(2)(g)(1999) and ORS 744.074(1)(h) because of the following circumstances. ORS 744.013(2)(g)(1999), which applies to transactions that occurred before 1/1/02, and ORS 744.074(1)(h), which applies to transactions that occurred on or after 1/1/02, prohibit a person from, among other things, demonstrating incompetence in the conduct of business. Hanson demonstrated incompetence in the conduct of insurance business. At all relevant times, Hanson was employed by Marsh USA, Inc. (Marsh) as a client executive.

Marsh paid Hanson a salary and provided other incentives based on her performance. Hanson was responsible for servicing the clients assigned by Marsh to her. Marsh assigned to Hanson five clients. Marsh, by and through Hanson, entered into a Client Service Agreement (CSA) with each of the clients. In the CSAs, Marsh agreed to provide certain insurance related services to the client; and the client agreed to pay Marsh (1) a fee for such services, and (2) the net premium, rather than the gross premium, for each insurance policy purchased by the client. However, if Marsh received a commission for selling a policy issued to the client, then Marsh was required to credit the commission to the fee owed by the client. Marsh required Hanson to determine if Marsh received a commission and if so then to credit the commission. From 2000 to 2005, Marsh received commission for selling policies to the clients. However, Hanson could have but failed to determine that Marsh received the commission. As a result, Marsh overcharged the clients a total of \$61,380. Hanson did not receive any portion of the overcharged amounts. Marsh discovered that they had overcharged the clients, and refunded or credited the overcharged amounts to the clients. On 10/27/05, Marsh terminated Hanson.

Action

As consideration for the director not further investigating or taking enforcement action against Hanson, Hanson surrenders her Oregon resident insurance producer license effective on the date of this stipulation; and agrees to never apply for or renew any license authorized by ORS Chapter 744, or have any equity interest in, be an officer or director of, or be employed by or contracted with, any person that is issued any license authorized by ORS Chapter 744.

Dated 3/13/07

/s/ Patsy G. Hanson
Patsy G. Hanson

//
//
//

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 April 3, 2007

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

//
//
//