

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

In the Matter of **Edward R. Clark**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 07-05-007

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 Edward R. Clark (Clark).

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

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

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

Facts and Conclusions

Licensing Information

Clark has been licensed in Oregon as a resident individual insurance producer since 2/3/77. Clark's last recorded residence and business address is located in Salem, Oregon.

Accepted Insurance Business From Unlicensed Person

Clark is subject to enforcement action pursuant to ORS 744.074(1)(m) because of the following circumstances. ORS 744.074(1)(m) permits the director to take any authorized enforcement action against a person who has applied for a license or is licensed in Oregon as an insurance producer if the person knowingly accepts insurance business from an individual who is not licensed as an insurance producer. At all relevant times, Judy Welch (Welch) was not licensed in Oregon as an insurance producer, and Clark knew that Welch was not licensed. However, from

2/1/06 to 4/30/06, Clark sent or caused to be sent to Welch application forms for Medicare supplement health insurance to Welch for her to use in soliciting persons to apply for the insurance. Each application form was for insurance offered by a particular insurer. In some instances, the application form was partially completed with Clark's or another insurance producer's contact information and agent number and signed by Clark or the other insurance producer, as an agent of the insurer. Welch met a person on 4/14/06, and two other persons on 5/13/06, all of which resided in Oregon, informed them about the advantages and terms of the insurance, urged them to apply for the insurance to be provided by Regence BlueCross BlueShield of Oregon (Regence), and assisted them in completing an application. Welch sent the completed applications to Clark. Clark forwarded or caused to be forwarded the completed applications to Regence.

Made False Statement on or Relative to an Insurance Application

Clark is subject to enforcement action pursuant to ORS 746.100 because of the following circumstances. ORS 746.100 prohibits a person from making a false or fraudulent statement or representation on or relative to an application for insurance. Clark sent one application sometime between 4/14/06 and 4/19/06, and two other applications sometime between 5/13/06 and 5/15/06, to Regence. Clark or another insurance producer signed the applications thereby expressly representing that "the information supplied to me by the applicant has been truly and accurately recorded here." These statements were not true and Clark knew that they were not true because only Welch met with the applicants, and Clark or the other insurance producer never met or otherwise communicated with the applicants.

Action

Pursuant to ORS 731.988, Clark 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 May 23, 2007

/s/ Edward R. Clark
Edward R. Clark

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 May 29, 2007

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

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