

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

In the Matter of **Gerald A. Frazier**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 09-07-003

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 Gerald A. Frazier (Frazier).

Frazier desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

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

Facts and Conclusions

Licensing Information

Frazier has been licensed in Oregon as a resident insurance producer from since 5/10/84. Frazier's last recorded residence and business address is located in The Dalles, Oregon.

Demonstrated Incompetence in Business

Frazier is subject to enforcement action pursuant to ORS 744.074(1)(h) because of the following circumstances. ORS 744.074(1)(h) 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 used fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. Frazier demonstrated incompetence in the conduct of business.

At all relevant times, Spee-Dee Haulers, Inc. dba Spee-Dee Sales & Rentals (Spee-Dee), located in The Dalles, Oregon, was licensed by the Oregon Driver and Motor Vehicles Services Division (DMV) as a vehicle dealer pursuant to ORS 822.005. As a condition to get and keep the license, Spee-Dee was required by ORS 822.020(3) and ORS 822.040(5)(c) to have liability insurance with certain minimum limits, and deliver to DMV a certificate of insurance that met the requirements of ORS 822.033.

On 12/24/03, Frazier, on behalf Oregon Trail Insurance, LLC (Oregon Trail), signed and caused to be sent to Spee-Dee or DMV or both a Certificate of Insurance representing that Spee-Dee, was insured by Unitrin Property and Casualty Insurance Company (Unitrin) under an insurance policy, number 2245-SR233375, from 6/26/03 to 6/26/04, providing the coverage that met the requirements of ORS 822.033. This representation was not correct because Unitrin had never provided any insurance to Spee-Dee and the policy number was fictitious. Frazier signed the certificate without making sure that the information therein was correct.

On 7/15/04, Frazier, on behalf Oregon Trail, signed and caused to be sent to Spee-Dee or DMV or both a Certificate of Insurance representing that Spee-Dee, was insured by Unitrin under an insurance policy, number 0045-SR233375, from 6/26/04 to 6/26/05, providing insurance required by ORS 822.033. This representation was not correct because Unitrin had never provided any insurance to Spee-Dee and the policy number was fictitious. Frazier signed the certificate without making sure that the information therein was correct.

On 7/14/05, Frazier, on behalf Oregon Trail, signed and caused to be sent to Spee-Dee or DMV or both a Certificate of Insurance representing that Spee-Dee, was insured by American States Insurance Company (American States) under an insurance policy, number 01-CE86489-8, from 6/26/05 to 6/26/06, providing the coverage that met the requirements of ORS 822.033. This representation was not correct because American States had not insured Spee-Dee since 6/26/03 and the policy number was fictitious. Frazier signed the certificate without making sure that the information therein was correct.

On 6/26/06, and again on 12/26/06, Frazier, on behalf Oregon Trail, signed and caused to be sent to Spee-Dee or DMV or both, was insured by American States under an insurance policy, number 01-CE86489-7, from 6/26/06 to 6/26/07, providing the coverage that met the requirements of ORS 822.033. This representation was not correct because American States had not insured Spee-Dee since 6/26/03 and that the policy number was fictitious. Frazier signed the certificate without making sure that the information therein was correct.

Action

Pursuant to ORS 731.988(1), Frazier is assessed a civil penalty of \$5,000. 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, 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 8/7/09

/s/ Gerald A. Frazier
Gerald A. Frazier

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 8/19/09

/s/ Teresa D. Miller
Teresa D. Miller
Administrator
Insurance Division
Department of Consumer and Business Services

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