

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

In the Matter of **Stanley A. Hanft**

) **STIPULATION** and  
) **FINAL ORDER**  
) Case No. INS 10-01-001

**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 Stanley A. Hanft (Hanft).

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

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

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

**Facts and Conclusions**

Licensing Information

Hanft has been licensed in Oregon as a resident individual insurance producer from 11/30/90 to 11/30/94 and since 12/22/94. Hanft's last recorded residence address is located in Brownsville, Oregon and business address is located in Scottsburg, Oregon.

Made Unsuitable Recommendation in Life Insurance Transaction

Hanft is subject to enforcement action pursuant to OAR 836-080-0090 because of the following circumstances. OAR 836-080-0090 prohibits a person from recommending that another person purchase or replace a life insurance policy or annuity, or any rider, endorsement or amendment to the policy or annuity, without having reasonable grounds to believe that the transaction is not unsuitable for the other person based upon a reasonable inquiry concerning the other person's insurance objectives, financial situation and needs, age and other relevant

information known by the person. On or about 4/13/05, Hanft recommended to Clara M. Madsen (Madsen), then age almost 81, of Eugene, Oregon, that she terminate an annuity issued by Bankers Life and Casualty Company (Bankers Life) and deposit \$37,595.83 therefrom into an annuity to be issued by Allianz Life Insurance Company of North America (Allianz Life). Hanft did not have reasonable grounds to believe that the Allianz Life annuity was not unsuitable for Madsen because Hanft knew or should have known that (1) the \$37,595.83 to be deposited into the Allianz Life annuity was at least about 38 percent of Madsen's limited liquid assets of \$90,000 to \$100,000, (2) Madsen would be charged a fee of about \$1,963.69 if she terminated the Bankers Life annuity at this time but would not be charged a fee if she kept the Bankers Life annuity for only about two years more, (3) Madsen had limited annual income of about \$25,000 to 30,000 and had been periodically withdrawing money from the Bankers Life annuity to pay for her expenses, (4) Madsen was earning about 4 percent annually from her Bankers Life annuity but would earn only 3 percent annually during the deferral or accumulation period of the Allianz Life annuity, (5) Madsen would receive a bonus of 10 percent of the amount deposited into the Allianz Life annuity only if Madsen kept the annuity for at least five years, annuitized it, and elected to receive the annuity payments over at least ten years or over her lifetime, (6) if Madsen needed to withdraw from the Allianz Life annuity more money than she could without paying a fee, then she could withdraw only up to 15 percent of the amount deposited and if she needed even more money and requested the Allianz Life annuity be terminated then she would be charged a fee of 10 percent of the amount deposited and she would not receive the bonus, and (7) Madsen was almost 81 years old and had a life expectancy of only about nine years, but the Allianz Life annuity would not mature for ten years. Madsen relied on Hanft's recommendation, applied for the Allianz Life annuity, and terminated the Bankers Life annuity. On or about 4/28/05, Allianz Life issued to Madsen the annuity, number 31336764. On or about 2/19/08, the Insurance Division received from Madsen a complaint dated 2/13/08 about Hanft. On or about 5/7/08, Allianz Life terminated the annuity and refunded the money Madsen paid to Allianz Life, less withdrawals, plus interest.

**Action**

Pursuant to ORS 744.074(1), Hanft's Oregon resident individual insurance producer license is suspended for 30 days from 3/1/10 to 3/30/10. During the period of suspension, Hanft shall not transact insurance including servicing existing clients. Hanft shall refer an inquiry from an existing client to the insurer that issued the policy to the client.

Dated February 8, 2010            /s/ Stanley A. Hanft  
Stanley A. Hanft

**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 February 18, 2010        /s/ Teresa D. Miller  
Teresa D. Miller  
Administrator  
Insurance Division  
Department of Consumer and Business Services

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