

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

In the Matter of **Michelle L. Baek**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 10-06-007

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 Michelle L. Baek (Baek).

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

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

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

Facts and Conclusions

Licensing Information

Baek has been licensed in Oregon as a nonresident individual insurance producer since 3/31/07. Baek's last recorded residence and business address is located in Vancouver, Washington.

Made Unsuitable Recommendation in Life Insurance or Annuity Transaction

Baek is subject to enforcement action pursuant to Oregon Administrative Rules (OAR) 836-080-0090 because of the following circumstances. ORS 744.074(1)(b) 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 violated any insurance statute; or any rule, order, or subpoena, of the director or the insurance regulator of another state. OAR 836-080-0090 prohibits a person from recommending to a consumer the purchase or replacement of 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 based upon a reasonable inquiry concerning the persons insurance objectives, financial objectives and needs, age and other relevant information known by the person. On or about 5/15/07, Baek recommended that Lois V. Anderson (Anderson), then age 82, of Portland, Oregon, terminate an annuity issued by Symetra Life Insurance Company (Symetra Life) and deposit \$17,593.79 therefrom into an annuity to be issued by Bankers Life and Casualty Company (Bankers Life). Baek did not have reasonable grounds to believe that the Bankers Life annuity was not unsuitable for Anderson because Baek knew or should have known that (1) Anderson was earning about 4.34% annually in interest on the Symetra Life annuity but would earn only an effective 2.88% annually in interest for the first ten years on the Bankers Life annuity, (2) Anderson would not pay a surrender fee if she made excessive withdrawals from or terminated the Symetra Life annuity but would pay a surrender fee if she made excessive withdrawals from or terminated the Bankers Life annuity within the next ten years , and (3) Anderson was 82 years old and had a life expectancy of about eight years but the Bankers Life annuity would not mature for ten years.

Failed to Notify Director of Change of Business Address

Baek is subject to enforcement action pursuant to ORS 744.068(4)(a) because of the following circumstances: ORS 744.074(1)(b) 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 violated any insurance statute; or any rule, order, or subpoena, of the director or the insurance regulator of another state. ORS 744.068(4)(a) requires an insurance producer licensed in Oregon as a nonresident insurance producer to notify the director of a change in business address not later than the 30th day after the date of the change. On or about 5/14/08, Baek discontinued working at an office of Bankers Life located at 519 SE 116th Avenue Suite 2, Vancouver, WA, 98683-5264. Sometime in June 2008, Baek began working at an office of Humana Health Insurance Company located at

1498 SE Tech Center Place Suite 300, Vancouver, WA 98683-5509. Baek was required to notify the director of the change of address by at least by 7/31/08. On 1/28/10, 547 days late, notified the director of the change of address.

Action

Pursuant to ORS 744.074(1), Baek's Oregon nonresident insurance producer license is suspended for 30 days from 7/14/10 to 8/13/10. During the period of suspension, Baek shall not transact insurance including servicing existing clients. Baek shall refer an inquiry from an existing client to the insurer that issued the policy to the client.

Dated July 7, 2010

/s/ Michelle L. Baek
Michelle L. Baek

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 July 15, 2010

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

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