

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

In the Matter of **Chet A. Sloan**

) **FINAL ORDER**

) Case No. INS 11-07-014

History of the Proceeding

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 Chet A. Sloan (Sloan).

On 8/16/11, the director issued a notice of proposed action informing the party that the director proposed to take enforcement action against the party, the party was entitled to a hearing pursuant to ORS 183.415, and if the party wanted a hearing then the party had to send to the director a written request for a hearing so that the director received it by 9/6/11. The notice also informed the party that if a hearing was not conducted then the designated portion of the Insurance Division's file and all materials submitted by the party in this case would automatically become part of the contested case record for the purpose of proving a *prima facie* case.

The director did not receive from the party a request for a hearing and did not conduct a hearing.

The director finds that the record of this proceeding proves a *prima facie* case.

The director now makes the following final decision in this proceeding.

Findings of Fact and Conclusions of Law

Licensing Information

Sloan has been licensed in Oregon as a nonresident individual insurance producer since 7/14/09. Sloan's license is scheduled to expire on 2/29/12. Sloan's license number is 748862, and NAIC national producer number is 5001175. Sloan's last recorded residence street address is 1858 NW Maryland Street, Camas, WA, 98607-8883; residence mailing address is PO Box 872111, Vancouver, WA, 98687-

2111; and residence telephone number is 503-984-2197. Sloan's last recorded business address is PO Box 872111, Vancouver, WA, 98687-2111; business telephone number is 503-984-2197; and e-mail address is nagual62@hotmail.com.

Used a Fraudulent, Coercive, or Dishonest Practice in Business

Sloan 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 a fraudulent, coercive, or dishonest practice, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Oregon or elsewhere. Sloan used a coercive practice in the conduct of business by engaging in the following conduct. Sometime before 2/9/10, Arlene Harouff (A. Harouff) agreed to meet with Sloan at the residence of A. Harouff and her husband Harlan Harouff (H. Harouff) in Salem, Oregon on 2/9/10 for the purpose of learning more about Medicare supplement insurance. On 2/9/10, at 11:00 AM, Sloan arrived at the Harouff's residence. A. Harouff and H. Harouff met with Sloan in the kitchen of the Harouff's residence. Sloan solicited A. Harouff to purchase Medicare supplement insurance to be provided by Sterling Life Insurance Company (Sterling). A. Harouff declined several times to apply for the insurance at that time but Sloan continued to urge A. Harouff to apply for the insurance. A. Harouff asked Sloan to leave but Sloan continued to urge A. Harouff to apply for the insurance. So A. Harouff left the kitchen and walked to her bedroom to prepare for herself to leave the residence for another previously planned activity. Sloan followed A. Harouff to the bedroom without any invitation or direction from either A. Harouff or H. Harouff and continued to urge A. Harouff to apply for the insurance. As a result of Sloan's unrelenting efforts to get A. Harouff to apply for the insurance, A. Harouff signed the application solely to get Sloan to leave the residence. Sloan left at 3:00 PM. The next day, 2/10/11, A. Harouff called Sterling to complain about Sloan and cancel the policy applied for. Again on 2/11/10, A. Harouff sent an e-mail to Sterling to cancel the policy.

Failed to Truthfully Respond to Director's Inquiry

Sloan is subject to enforcement action pursuant to ORS 731.296 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 731.296 requires a person who is licensed in Oregon in any capacity under the Insurance Code to promptly and truthfully respond to an inquiry from the director. On 2/18/10, the director received by fax from A. Harouff, a complaint dated 2/17/11 about Sloan. On 6/21/11, the Insurance Division interviewed Sloan in person. During the interview, Sloan gave two different descriptions of what happened on 2/9/10 when Sloan met with the Harouff's, both of which were not truthful. In one description, Sloan said that Sloan was about to leave the residence when H. Harouff motioned Sloan to walk down the hallway to A. Harouff's bedroom to get A. Harouff to sign the application. This description was not truthful. On 4/28/11, during a recorded telephone conversation between the Insurance Division and A. Harouff and H. Harouff, A. Harouff stated that it was not possible that H. Harouff gestured to Sloan to walk to the bedroom to have A. Harouff sign the application, and H. Harouff stated that he did not recall gesturing to Sloan to walk to the bedroom to have A. Harouff sign the application. In the other description, Sloan explained that Sloan walked with H. Harouff down the hallway to A. Harouff's bedroom, Sloan handed the application to H. Harouff, and H. Harouff handed the application to A. Harouff to sign. This statement was also not truthful. On 6/30/11, during an unrecorded telephone conversation between the Insurance Division and A. Harouff, A. Harouff stated that Sloan walked into her bedroom alone, H. Harouff was not in the bedroom or hallway, and H. Harouff did not hand the application to A. Harouff to sign.

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Order

Pursuant to ORS 744.074(1), Sloan's Oregon nonresident individual insurance producer license is revoked on the date of this order.

Notice of Right to Judicial Review

A party has the right to judicial review of this order pursuant to ORS 183.480 and ORS 183.482. A party may request judicial review by sending a petition for judicial review to the Oregon Court of Appeals. The court must receive the petition within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the date the party received the order. If the order was mailed to a party, then the date of service is the date the order was mailed to the party, not the date the party received the order. If a party files a petition, the party is requested to also send a copy of the petition to the Insurance Division by delivering it to the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; or mailing it to PO Box 14480, Salem, OR 97309-0405; or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us.

Dated September 14, 2011 /s/ Teresa D. Miller
Teresa D. Miller
Administrator
Insurance Division
Department of Consumer and Business Services

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