

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

In the Matter of **Charlotte M. Sandford**) **FINAL ORDER**
) Case No. INS 11-08-001

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 Charlotte M. Sandford (Sandford).

On 8/10/11, 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 8/31/11. 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.

On 8/30/11, the director received from the party an e-mail saying that she received the notice of proposed action but did not want a hearing. The director 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

Sandford was licensed in Oregon as a nonresident individual insurance producer from 6/28/82 to 5/31/10. On 5/31/10, Sandford's license expired. Sandford's license number was 107092, and NAIC national producer number is 775241. Sandford's last recorded residence address is 110 Kroll Road, Castle Rock, WA 98611-9087; and

residence telephone number is 206-274-8870. Sandford's last recorded business address is Farmer's Insurance Group, 1333 14th Avenue, Longview, WA 98632-3701; and business telephone number is 206-423-8300.

Misappropriated Money or Property Received in Course of Insurance Business]

Sandford is subject to enforcement action pursuant to ORS 744.074(1)(d) because of the following circumstances. ORS 744.074(1)(d) 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 improperly withheld, misappropriated, or converted, any moneys or properties received by the person in the course of doing insurance business. From 3/7/09 to 4/2/09, Sandford received 66 payments in cash of insurance premiums totaling at least \$10,736. The premiums were for insurance provided or to be provided by various insurers of the Farmers Insurance Group (Farmers). Sandford used the premiums for her personal use.

Failed to Deposit Insurance Premium into Trust Account

Sandford is subject to enforcement action pursuant to ORS 744.083(1) because of the following circumstances. ORS 744.083(1) requires a person that is licensed in Oregon as an insurance producer to deposit into an insurance premium trust account all premium received by the insurance producer, unless permitted otherwise, and keep the premium therein until paid to the person entitled thereto. From 3/7/09 to 4/2/09, Sandford received 66 payments in cash of insurance premiums totaling at least \$10,736. The premiums were for insurance provided or to be provided by Farmers. Sandford did not deposit the payments into her insurance premium trust account, number 1459508616, at Bank of America, or any other trust account.

Administrative Action by Other State Insurance Regulator

Sandford is subject to enforcement action pursuant to ORS 744.074(1)(i) because of the following circumstances. ORS 744.074(1)(i) 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 another state insurance regulator canceled, revoked, suspended, or refused to renew, the person's license in that state

as an insurance producer, adjuster or consultant. On 2/4/10, the insurance regulator for the State of Washington issued an order, number 10-0020, revoking, effective 2/24/10, Sandford's Washington resident individual insurance producer license pursuant to Revised Code of Washington (RCW) §48.17.530(1)(b) & (d) and RCW §48.14.540(2)(a) for violating RCW §48.17.480 by "knowingly failing to remit premiums to the insurers entitled thereto."

Failed to Report Administrative Action by Other State Insurance Regulator

Sandford is subject to enforcement action pursuant to ORS 744.089(1) because of the following circumstances. ORS 744.089(1) requires a person who is licensed in Oregon as an insurance producer to notify the director of any administrative action taken against the person by another state insurance regulator and provide a copy of the order within 30 days of the final disposition of the action. On 2/4/10, the insurance regulator for the State of Washington issued an order, number 10-0020, revoking, effective 2/24/10, Sandford's Washington resident individual insurance producer license as described above. Sandford was entitled to request a hearing by 5/5/10 pursuant to (RCW §48.04.010(3)). However, Sandford did not request a hearing. Thus, Sandford was not entitled to judicial review of the order pursuant to RCW §34.05.534. Thus, the action was finally disposed of on 5/5/10. Sandford was required to notify the director of the action and provide a copy of the order by 6/4/10. Sandford did not notify the director of the action or provide a copy of the order because she thought "Farmers would advise Oregon as they did with Washington."

Order

Pursuant to ORS 744.074(1), Sandford's expired 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 August 31, 2011

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

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