

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

In the Matter of **Erik S. Hansen**) **FINAL ORDER**
and **Erik Hansen Insurance Agency, Inc.**) Case No. INS 12-01-003

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 Erik S. Hansen (Hansen) and Erik Hansen Insurance Agency, Inc. (Hansen Agency).

On 2/15/12, the director issued a notice of proposed action informing the parties that the director proposed to take enforcement action against the parties, the parties were entitled to a hearing pursuant to ORS 183.415, and if a 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 3/7/12. The notice also informed the parties that if the parties defaulted and 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 3/7/12, the director timely received from Hansen, on behalf of himself and Hansen Agency, a written request for a hearing.

On 3/8/12, the director referred the parties' request for a hearing to the Office of Administrative Hearings (OAH). On the same date, pursuant to ORS 183.413(2), the director mailed to the parties a notice of the rights of parties and procedures in this proceeding.

On 4/5/12, the director issued an amended notice of proposed action alleging the same violations and proposing to take the same action as in the initial notice but make certain minor corrections.

On 5/9/12, OAH scheduled a hearing to be conducted on 9/26/12, and mailed to the parties a written notice informing the parties of the date, time and place of the hearing.

On 9/24/12, Hansen withdrew his request for a hearing.¹

On 9/25/12, the director cancelled the scheduled hearing and withdrew this case from OAH.

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

Hansen was licensed in Oregon as a resident individual insurance producer from 11/22/00 to 12/7/06 and from 8/31/11 to 9/4/12. On 9/4/12, Hansen surrendered his license.² Hansen's license was scheduled to expire on 6/31/13. Hansen's license number is 618632, and NAIC national producer number is 6249982. Hansen's last recorded residence address is 7920 North Fiske Avenue, Portland, OR 97203-4630, and telephone number is 503-680-0610. Hansen's last recorded principal place of business address is Erik Hansen Insurance Agency, Inc., 10260 SW Greenburg Road Suite 400, Portland, OR 97223-5514, business telephone number is 503-892-3933; fax number is 503-293-8499; and e-mail address is eriksvenhansen@gmail.com.

Hansen Agency was licensed in Oregon as a resident business entity insurance producer from 2/28/06 to 2/28/12. On 2/28/12, Hansen Agency's license expired.³ Hansen Agency's license number is 817107, NAIC entity number is 8714130, and

¹ Hansen Agency had defaulted, and was no longer entitled to a hearing, because it was a corporation at least as of 3/7/12, it was required to be represented by an attorney pursuant to ORS 9.320, an attorney had to ratify in writing its request for a hearing pursuant to Oregon Administrative Rules (OAR) 137-003-0550, the director or OAH had to receive the written ratification within 28 days of 3/7/12 which was 4/4/12, or potentially within 21 plus 28 for a total of 49 days of 4/5/12 which was 5/24/12, but neither the director nor OAH received a written ratification.

² ORS 744.011 permits the director to investigate and take enforcement action against a person who was licensed in Oregon as an insurance producer but is no longer licensed because the license expired or was surrendered.

³ See footnote 2 herein above.

federal employer identification number (FEIN) is 13-4320327. Hansen Agency's last recorded principal place of business street address is 10260 SW Greenburg Road Suite 400, Portland, OR 97223-5514; and telephone number is 503-892-3933.

Made False or Fraudulent Statement on or Relative to an Insurance Application

Hansen is subject to enforcement action pursuant to ORS 746.100 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 intentionally misrepresents the terms of an actual or proposed insurance contract or application for insurance. ORS 746.100 prohibits a person from making a false or fraudulent statement or representation on or relative to an application for insurance, or for the purpose of obtaining a fee, commission, money or benefit from an insurer or an insurance producer. Hansen made false and fraudulent statements or representations on or relative to an application for insurance in the following instance. On 6/23/11, Hansen completed and signed an electronic application for approval and issuance of a life insurance policy for his infant child and submitted the application to Country Life Insurance Company (Country Life). The application asked several health related questions. Hansen answered the questions "no." Hansen's answers were false and Hansen knew that they were false. While reviewing the application to consider whether to issue the policy applied for, Country Life obtained the medical records pertaining to the infant child, and discovered that the answers were incorrect. On 7/27/11, Country Life declined to issue the policy.

Enforcement Action Against Business Entity for Acts of Individual

Hansen Agency is subject to enforcement action pursuant to ORS 744.074(3) because of the following circumstances. ORS 744.074(3) permits the director to only revoke, suspend, refuse to issue, or refuse to renew, the Oregon business entity insurance producer license issued to a business entity when the director determines that an individual, who was employed by or otherwise authorized to act for the business entity, and was licensed in Oregon as an individual insurance producer,

violated a provision of the Insurance Code or related rules, and the partners, officers, or managers of the business entity knew or should have known of the individual's violation but the partners, officers, or managers did not report the violation to the director or did not take any corrective action or both. At all relevant times, Hansen Agency was licensed in Oregon as a resident business entity insurance producer; Hansen was licensed in Oregon as a resident individual insurance producer; Hansen Agency authorized Hansen to act for Hansen Agency in the transaction of insurance; Hansen, as an individual, committed the violations described above; Hansen, as an officer of Hansen Agency, knew or should have known of such violations because he committed the violations; but Hansen, as an officer of Hansen Agency, did not report such violations to the director and did not take any corrective action.

Order

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

Pursuant to ORS 744.074(3), Hansen Agency's expired Oregon resident business entity 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 October 9, 2012

/s/ Louis Savage
Louis Savage
Insurance Commissioner
Insurance Division
Department of Consumer and Business Services

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