

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

In the Matter of **Carl M. Savoia**) **STIPULATION and**
) **FINAL ORDER**
) Case No. INS 12-10-008

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director), by and through the Insurance Division, commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Carl M. Savoia (Savoia).

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

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

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

Facts and Conclusions

Licensing Information

Savoia has been licensed in Oregon as a nonresident individual insurance producer since 8/28/09. Savoia's license is scheduled to expire on 12/31/13. Savoia's license number is 750533, and NAIC national producer number is 1272239. Savoia's last recorded residence street address is 8291 Santaluz Village Green North, San Diego, CA 9217-2522; and telephone number is 619-778-4704. Savoia's last recorded place of business address is Target Financial and Insurance Services, Inc., 6630 Flanders Drive, San Diego, CA 92121-2976; telephone number is 800-450-8013; and fax number is 800-434-8053.

Failed to Report Administrative Action by Other State Agency

Savoia 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 8/18/11, the insurance regulator for the State of California issued an order, number 20110404987, ordering Savoia to pay \$5,750 as restitution to a client and to pay \$5,500 as partial reimbursement for investigation costs. The insurance regulator took the action because Savoia allegedly charged an undisclosed broker fee of \$53,000 on a policy with a total premium of \$35,000, and misrepresented the coverage of the policy, exposing the client to unnecessary risk. Savoia signed a stipulation and waiver dated 6/8/11 waving his right to a hearing and to judicial review of the order. Thus, the action was finally disposed of on 8/18/11. Savoia was required to notify the director of the action and provide a copy of the order by 9/19/11. Savoia notified the director on 7/3/12 and provided a copy of the order on 7/16/12.

Failed to Completely and Truthfully Respond to Director's Inquiry

Savoia is subject to enforcement action pursuant to ORS 731.296 because of the following circumstances. 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 6/14/12, the director mailed by first class and certified mail a letter to Savoia at his last recorded residence address of 8291 Santaluz Village Green North, San Diego, CA 92127-2522. The letter requested Savoia to notify the director of California's administrative action described above and provide a copy of the order by 7/5/12. On 7/2/12, the director received an e-mail from Timothy S. Dobrenen (Dobrenen), an attorney representing Savoia, responding to the director's letter dated 6/14/12. The e-mail said that on or about 8/18/11 Savoia "paid approximately \$5,500 as a penalty to the California Department of Insurance" but did not previously notify the director of California's action because Savoia

mistakenly believed that he only had to report actions that “related only to matters affecting his license or the status of his license” *e.g.* probation or suspension of an insurance producer license. The e-mail asked “what additional information, if any, you require.” The e-mail did not provide a copy of California’s order. Thus, Dobrenen’s e-mail, on behalf of Savoia, was incomplete. On 7/3/12, the director sent an e-mail to Dobrenen saying that the director requires Savoia to “answer the questions in our letter dated 6/14/12 by 7/5/12.” Later on 7/3/12, the director received by e-mail from Dobrenen a letter dated 7/3/12 responding to the director’s e-mail dated 7/3/12. The letter said that Savoia was ordered to pay \$5,750 as restitution to a client and provided a copy of a stipulation and waiver. The letter misled the director to believe that California ordered Savoia to pay only one amount of “approximately \$5,500” or \$5,750 specifically, when California actually ordered Savoia to pay not only \$5,750 as restitution to a client but also \$5,500 as partial reimbursement for investigation costs. The letter also did not include a copy of California’s order. Thus, Dobrenen’s letter, on behalf of Savoia, was misleading and still incomplete. On 7/11/12, the director sent an e-mail to Dobrenen. The e-mail requested Dobrenen completely respond by 7/25/12 to the director’s letter dated 6/14/12 and additionally explain why Dobrenen did not provide a copy of the order and did not explain that Savoia was also ordered to pay \$5,500 as partial reimbursement for investigation costs. On 7/16/12 the director received by e-mail from Dobrenen a letter dated 7/16/12 responding to the director’s e-mail dated 7/11/12. The letter provided a copy of California’s order and explained that Dobrenen “mistakenly omitted” from his letter dated 7/3/12 the order and explanation of the additional penalty.

Action

Pursuant to ORS 731.988(1), Savoia is assessed a civil penalty of 2,000.00. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; or mailed to the Insurance

Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division before the date of the final order.

Dated November 19, 2012 /s/ Carl M. Savoia
Carl M. Savoia

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 November 27, 2012 /s/ Louis Savage
Louis Savage
Insurance Commissioner

//
//
//