

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-16-0081

CAROLYN LENARD,

Respondent.

FINAL ORDER TO CEASE AND  
DESIST AND ORDER REVOKING  
LICENSE, ENTERED BY DEFAULT

On April 4, 2016, the Director of the Department of Consumer and Business Services (“Director”), by and through the Division of Financial Regulation (“Division”), properly served Notice on Carolyn Lenard (“Respondent”) that the Director intended to revoke Respondent’s Non-resident Insurance Producer License.

The Notice offered Respondent an opportunity for a hearing, if requested within 30 days. The Notice further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Director’s file and all materials submitted by Respondent 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 Respondent 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 makes the following Findings of Fact, Conclusions of Law, Orders, and Notice of Right to Judicial Appeal.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent had an Oregon Resident Insurance License (“License”), which



1 expired on November 30, 2015. Respondent's national producer number is 2083077.

2 2. At all times relevant to this matter, Respondent was an agent for American  
3 Family Life Assurance Company of Columbus or Aflac, Incorporated ("Aflac").

4 3. Respondent has not renewed her License.

5 4. Aflac conducted an investigation which revealed Respondent submitted  
6 applications for three of the Respondent's family members under a business client payroll  
7 account that was never employed at the business.

8 5. Respondent admitted that adding one of the family members was her fault and  
9 took responsibility for adding that person to the policy.

10 6. During the Director's investigation, multiple attempts were made to reach the  
11 Respondent at her address of record. Each mailing was returned undeliverable.

12 7. Once the Director was able reach the Respondent electronically, the  
13 Respondent admitted that she had changed addresses two years ago.

14 8. Respondent failed to notify the director of the change of address within 30  
15 days of the address change.

#### 16 CONCLUSIONS OF LAW

17 The Director CONCLUDES that:

18 9. ORS 744.074(1)(h) authorizes enforcement action where the insurance  
19 producer uses fraudulent, coercive, or dishonest practices. Respondent is subject to  
20 enforcement for fraudulently adding a family member to a client's business policy.

21 10. ORS 744.068(4)(c) requiring an insurance producer to notify the Division of a  
22 change of residence within 30 days after the date of change. Respondent changed her  
23 address and did not notify the Division until the Division attempted to contact her  
24 regarding the investigation.

25 11. Under ORS 744.074(1)(b), the Director may place a licensee on probation or  
26 suspend, revoke or refuse to issue or renew an insurance producer license and may take



1 other actions authorized by the Insurance Code for anyone violating any insurance laws,  
2 or violating any rule.

3 12. Under ORS 744.011(1), the expiration of a license or the voluntary surrender  
4 of a license shall not deprive the Director of jurisdiction to proceed with any investigation  
5 of, or any action or disciplinary proceedings against, the licensee or to revise or render  
6 void an order suspending or revoking the license.

7 **ORDERS**

8 Now therefore, the Director issues the following Orders:

9 13. As authorized by ORS 731.252(1), the Director ORDERS Respondent to  
10 CEASE AND DESIST from violating any provision of the Oregon Insurance Code or the  
11 administrative rules promulgated thereunder.

12 14. The Director, pursuant to ORS 744.074, hereby REVOKES Respondent's  
13 Oregon Resident Insurance Producer License.

14  
15 SO ORDERED this 6<sup>th</sup> day of May, 2016 in Salem,  
16 Oregon.

17 PATRICK M. ALLEN, Director  
18 Department of Consumer and Business Services

19  
20 /s/ David Tatman  
21 David C. Tatman, Chief of Enforcement  
22 Division of Financial Regulation

23 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

24 You are entitled to judicial review of this order in accordance with ORS 183.482.  
25 You may request judicial review by filing a petition with the Court of Appeals in Salem,  
26 Oregon, within 60 days from the date this order is served.

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387

