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2
3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. INS-16-0240

7 STEVEN RHUMAN,

8 Respondent.

9
10 FINAL ORDER TO CEASE AND
11 DESIST AND FINAL ORDER
12 REVOKING LICENSE, ENTERED BY
13 DEFAULT

14
15 On July 25, 2016, the Director of the Department of Consumer and Business
16 Services (“Director”), by and through the Division of Financial Regulation (“Division”),
17 properly served Notice on STEVEN RHUMAN (“Respondent”) that the Director
18 intended to revoke Respondent’s Oregon Resident Insurance Producer License
19 (“License”).

20 The Notice offered Respondent an opportunity for a hearing, if requested within
21 30 days. The Notice further informed Respondent that if a hearing was not conducted
22 because Respondent did not timely request a hearing or otherwise defaulted, then the
23 designated portion of the Director’s file and all materials submitted by Respondent in this
24 case would automatically become part of the contested case record for the purpose of
25 proving a *prima facie* case.

26 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.

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



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. Respondent had a License from December 15, 1992 until it expired on June
4 30, 2016. His NAIC national producer number is 138597.

5 2. At all times relevant, Respondent was employed by Farmers Insurance Group
6 (“Farmers”).

7 3. An investigation by Farmers revealed that Respondent intentionally
8 manipulated 81 insurance applications to provide lower premiums for his clients from
9 October 2010 to May 2013.

10 4. During Farmers’ investigation and the Division of Financial Regulation’s
11 investigation, Respondent admitted to manipulating addresses to provide a lower rate.

12 5. Farmers reported an estimated loss of \$25,368 in unwarranted policy premium
13 reductions.

14 6. Respondent was terminated for cause on May 26, 2015.

15
16 CONCLUSIONS OF LAW

17 The Director CONCLUDES that:

18 7. ORS 746.100 prohibits any person from making a false or fraudulent
19 statement or representation relative to an application for insurance. By providing false
20 information 81 applications for insurance, Respondent made false or fraudulent
21 statements or representations relative to an application for insurance.

22 8. ORS 744.074(1)(e) authorizes the Director to revoke or refuse to renew an
23 insurance producer license if the insurance producer intentionally misrepresents the terms
24 of an application for insurance. Respondent intentionally misrepresented the terms of an
25 application for insurance.

26 9. ORS 744.074(1)(h) authorizes the Director to revoke an insurance producer

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1 license for using fraudulent, coercive or dishonest practices, or demonstrating
2 incompetence, untrustworthiness or financial irresponsibility in the conduct of business.
3 Respondent used fraudulent and dishonest practices by manipulating addresses of
4 customers to provide a lower premium.

6 ORDER

7 Now therefore, the Director issues the following Orders:

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

11 11. The Director, pursuant to ORS 744.074(1)(e) and (h), hereby REVOKES
12 Respondent's Resident Insurance Producer License.

14 SO ORDERED this 1st day of September, 2016

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

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

21 NOTICE OF RIGHT TO JUDICIAL APPEAL

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