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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-16-0250

7 RALPH G. TAYLOR and
8 ORION INSURANCE GROUP, INC.,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO
ENTRY OF ORDER

9 The Director of the Department of Consumer and Business Services for the State
10 of Oregon (“Director”) has conducted an investigation into RALPH G. TAYLOR and
11 Orion Insurance Group, Inc. (collectively, “Respondent”) and hereby gives notice that the
12 Director proposes to assess a civil penalty against Respondent for multiple violations of
13 the insurance code.

14 Applicant wishes to resolve and settle this matter with the Director.

15 Now, therefore, as evidenced by the signature(s) subscribed on this Order,
16 Applicant hereby CONSENTS to entry of this Order.

17
18 FINDINGS OF FACT

19 The Director FINDS that:

20 1. Respondent has been licensed as an Oregon nonresident insurance producer
21 since April 28, 2011. Respondent’s license is scheduled to expire on March 31, 2017.
22 His NAIC national producer number is 5764838.

23 2. On July 21, 2012, the State of Washington issued a Findings of Fact,
24 Conclusions of Law and Final Order Docket No. 11-0123 ordering Respondent to pay
25 \$250 fine for charging fees to Washington consumers without a compliant disclosure
26 form. Respondent failed to provide notice of the administrative action to the Director

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Telephone: (503) 378-4387



1 within 30 days.

2 3. On June 24, 2014, the State of Colorado issued an order allowing Respondent
3 to withdraw his application in lieu of denial. Respondent failed to provide notice of the
4 administrative action to the Director within 30 days.

5 4. Based on information provided in the State of Washington's final order, the
6 Division of Financial Regulation ("Division"), formerly the Insurance Division,
7 conducted an investigation into the charging of fees to Oregon consumers.

8 5. Between December 6, 2013 and October 30, 2014, Respondent issued 21
9 commercial insurance policies in the state of Oregon. A brokerage fee, ranging from
10 \$100 to \$2,000, was charged on nine of the accounts.

11 6. Of the nine accounts that were charged a brokerage fee, four accounts signed a
12 document titled Standard Broker Fee Agreement & Disclosure ("Agreement"). The
13 Agreement discloses the broker fee, which varies from account to account, but does not
14 provide a basis for the charge or an explanation of the services provided for the fee.

15 7. At all times relative, Respondent was not licensed as a consultant in the State
16 of Oregon.

17 CONCLUSIONS OF LAW

18 The Director CONCLUDES that:

19 8. Under Oregon Revised Statutes ("ORS") 744.089(1), an insurance producer
20 shall report to the Director any administrative action taken against the insurance producer
21 in another jurisdiction or by another governmental agency in this state not later than the
22 30th day after the date of the final disposition of the matter. Respondent failed to notify
23 the Director of two administrative actions within 30 days of the final disposition of the
24 matters.
25

26 9. Under ORS 744.074(1)(b), the Director may revoke an insurance producer





1 license for violating any insurance laws, or violating any rule, subpoena or order of the
2 director or of the insurance commissioner of another state. The Director may revoke
3 Respondent’s license because Respondent failed to report administrative actions taken
4 against him in other states.

5 10. Oregon Administrative Rule 836-071-0277(2) states that a service fee may be
6 charged only in those instances where the insurance producer has provided service
7 additional to what is the usual and customary practice of insurance producers under
8 similar circumstances. The insurance producer must give a written explanation of the
9 charge and the reason for it to the person charged. Respondent’s Agreement did not
10 provide an explanation of the services that were in addition to the usual and customary
11 practices of insurance producers under similar circumstances and did not provide a basis
12 for the amount being charged. Respondent’s Agreement provided inadequate disclosure
13 information.

14 11. Under ORS 731.988(1), the Director may impose a civil penalty of up to
15 \$1,000 *per violation* upon any individual who violates a provision of the Insurance Code,
16 ORS chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750
17 (“Insurance Code”).

18
19 **ORDER**

20 Now therefore, the Director issues the following Orders:

21 12. As authorized by ORS 731.252(1), the Director ORDERS Applicant to
22 CEASE AND DESIST from violating any provision of the Insurance Code or the
23 administrative rules promulgated thereunder.

24 13. Based upon the foregoing and in accordance with ORS 731.988(1), the
25 Director proposes to ORDER a CIVIL PENALTY of \$2,200 (\$200 per violation).

26 14. The Director agrees to SUSPEND the collection of \$1,700 of the \$2,200

1 CIVIL PENALTY assessed herein upon the condition that Ralph Taylor, Orion Insurance
2 Group and all producers who charges a fee become licensed as consultants under ORS
3 744.605 and continue to utilize the Standard Broker Fee Agreement & Disclosure, or
4 similar form that provides all required disclosures, on all transactions including renewals.

5 15. If Respondent complies with all of the terms and conditions set out in this
6 Order and commits no violations of the Insurance Code during the five (5) year period
7 from the date of issuance of this Order, the Director hereby agrees to WAIVE the \$1,700
8 suspended CIVIL PENALTY.

9 16. The Director reserves the right to immediately assess and collect the \$1,700
10 suspended CIVIL PENALTY upon a determination that Respondent has violated any
11 term of this Order.

12 17. The remaining portion of the CIVIL PENALTY assessed against Respondent
13 in the amount of \$500 is due and payable to the Department of Consumer and Business
14 Services at the time this Order is returned to the Division.

15
16 SO ORDERED this 24th day of September, 2016 in Salem, Oregon.

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

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

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CONSENT TO ENTRY OF ORDER

I, RALPH G. TAYLOR, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Ralph Taylor

Signature

State of Washington

County of Snohomish

Signed or attested before me on this 1st day of September, 2016

by RALPH G. TAYLOR.

/s/ Kimberley R. Meehan

Notary Public

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1 CONSENT TO ENTRY OF ORDER

2 I, RALPH G. TAYLOR, state that I am an officer of ORION INSURANCE
3 GROUP, INC. ("ORION") and I am authorized to act on its behalf. I have read the
4 foregoing Order, and I know and fully understand the contents hereof. I have been
5 advised of the right to a hearing and of the right to be represented by counsel in this
6 matter. ORION voluntarily and without any force or duress consents to the entry of this
7 Order expressly waiving any right to a hearing in this matter. ORION understands that
8 the Director reserves the right to take further actions to enforce this Order or to take
9 appropriate action upon discovery of other violations of the Oregon Insurance Code.
10 ORION will fully comply with the terms and conditions stated herein.

11 ORION understands that this Order is a public document.

12
13 /s/ Ralph Taylor
14 Signature
15 President
16 Office Held

17 ENTITY ACKNOWLEDGMENT

18 State of Washington)
19 County of Snohomish)

20 There appeared before me this 1st day of September, 2016, RALPH
21 G. TAYLOR, who was first duly sworn on oath, and stated that he was and is an officer
22 of ORION and that he is authorized and empowered to sign this Consent to Entry of
23 Order on behalf of ORION and to bind ORION to the terms hereof.

24
25 /s/ Kimberley R. Meehan
26 Notary Public

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