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

In the Matter of: Katherine F. Benedict, Respondent.	Case No. INS-24-0017 FINAL ORDER TO CEASE AND DESIST, ORDER ALLOWING SURRENDER OF RESIDENT INSURANCE PRODUCER LICENSE, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("Insurance Code"), has conducted an investigation into the insurance related activities of Katherine F. Benedict ("Benedict") regarding violations of the Insurance Code.

Benedict, without admitting or denying the findings of fact and conclusions of law herein, wishes to settle this matter. Benedict has agreed to enter into this agreement in order to avoid the cost and expense of litigation. Benedict has agreed to resolve this matter with the Director by surrendering her Oregon resident insurance producer license.

Now, therefore, as evidenced by the signature subscribed herein, Benedict hereby CONSENTS to the entry of this Order.

The Director makes the following Findings of Fact, Conclusions of Law, and Orders.

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

FINDINGS OF FACT

The Director FINDS that:

1. Benedict is an Oregon resident with her last recorded business address at 12860 NW Cornell Rd. Portland, OR 97229. Benedict has been an Oregon licensed resident

individual insurance producer since January 31, 1990. Benedict's NAIC national producer number is 664426.

2. On August 11, 2023, the Division of Financial Regulation ("Division") received a letter from State Farm containing a notification that Benedict had been terminated for cause by her employer, who was an independent agent working for State Farm and who hired Benedict.

3. On September 23, 2023, the Division opened an investigation into Benedict's termination for cause. State Farm provided materials to the Division primarily consisting of communications between Benedict and insured consumers. These communications were provided to show evidence of alleged violations of State Farm policy and possible violations of the Oregon Insurance Code.

4. On October 11, 2023, a Division Investigator sent an inquiry letter to Benedict, requesting a response to the alleged Insurance Code violations. Benedict responded to such inquiry in writing, via email and regular mail.

5. The Division's investigation revealed that Benedict altered the language of multiple Certificates of Insurance without notifying State Farm and/or obtaining underwriter approval to do so, which potentially invalidates the policy and/or misleads the consumers.

6. Furthermore, Benedict failed to consistently maintain complete and accurate notes or other customary records using the State Farm electronic customer relationship management ("ECRM") system. Specifically, Benedict failed to document certain important conversations with insured consumers in ECRM.

7. On December 4, 2023, during an interview with a Division investigator, Benedict stated that she is now retired. Therefore, she wishes to voluntarily surrender her license.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order to discontinue or desist from such violation or threatened violation.

9. ORS 744.074(1)(e), permits the director to take any authorized enforcement action against an insurance producer for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

10. Pursuant to ORS 746.100, no person shall make 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 insurance producer.

11. Benedict violated ORS 744.074(1)(e) and ORS 746.100 by altering the language of multiple Certificates of Insurance without notifying State Farm and/or obtaining underwriter approval to do so, thereby potentially invalidating the policy and/or misleading the consumers.

12. Pursuant to ORS 744.068(2), the Director requires that a resident insurance producer keep at their principal place of business the usual and customary records pertaining to the business under the resident insurance producer license.

13. Benedict violated ORS 744.068(2) by failing to consistently maintain complete and accurate notes or other customary records using the State Farm ECRM system.

14. Pursuant to ORS 731.988(1), the Director may impose a civil penalty of up to $1,000 per violation upon any individual that violates any provision of the Insurance Code or any lawful rule or final order of the Director.

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ORDERS

Now therefore, the Director issues the following ORDERS:

15. Pursuant to ORS 731.252(1), the Director ORDERS Benedict to CEASE AND DESIST from violating, ORS 746.100, ORS 744.074(1)(e), and ORS 744.068(2).

16. The Director hereby grants Benedict's request to voluntarily surrender her Oregon resident insurance producer license in lieu of the Director revoking her license. Benedict shall not reapply for a license in Oregon indefinitely.

17. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 9th day of April , 2024.

ANDREW R. STOLFI, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Katherine F. Benedict, state that I have read the foregoing Order and that I know and fully understand the contents hereof; 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/ Katherine F. Benedict

Signature

State of Oregon

County of Columbia

Signed or attested before me on this 3rd day of April, 2024 by Katherine F. Benedict.

/s Lindsey Mongelli

Notary Public

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