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

In the Matter of: LORI CHAPIN, Respondent.	Case No. INS-24-0027 FINAL ORDER TO CEASE AND DESIST, ORDER ALLOWING SURRENDER OF NONRESIDENT 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 of Lori Chapin ("Respondent").

Respondent has resolved this matter with the Director by surrendering her Oregon nonresident insurance producer license.

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

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

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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FINDINGS OF FACT

The Director FINDS that:

1. Respondent was first licensed as an Oregon non-resident individual insurance producer on August 21, 2019. Respondent's National Association of Insurance Commissioners ("NAIC") national producer number is 5766621.

2. In her 2019 application Respondent failed to disclose her 1989 felony conviction for Theft I related to her having wrongfully obtained $1,500 in public assistance.

Respondent also failed to disclose the conviction in her 2021 and 2023 renewal applications.

3. After the Division discovered Respondent's omission in 2023, Respondent stated that she believed that her prior conviction had been previously reported to the Division. She had disclosed the conviction in both California and Washington states, and had received approval in California of a 1033 waiver, which is required for anyone applying for an insurance producer license who meets the criteria of a "Prohibited Person" pursuant to 18 U.S.C. § 1033. She further explained that her employer's licensing team handled renewals without her involvement, and she was unaware other states, including Oregon, were not notified.

4. In September 2023, the Division offered Respondent an opportunity to obtain approval of her 2023 license renewal as long as she was able to submit a 1033 waiver. In October 2023, Respondent informed the Division that she was gathering documents and requested a time extension to submit the 1033 waiver. The Division granted her request for an extension until December 15, 2023.

5. Respondent submitted a 1033 waiver application on or just before the December 15th deadline. The letter submitted with the application intended to meet the requirement of OAR 836-071-0323(2)(a) (hereafter referred to as "Attachment 4") was written by a person with a senior sales management position with Travelers Insurance. However, the Division requires that the person writing this Attachment 4 hold a position with an insurance company that is at least at a vice president or above, preferably the insurance company with which the licensee is employed or appointed. The Division informed Respondent that the Attachment 4 was insufficient on December 19.

6. On January 29, Respondent resubmitted her 1033 waiver application materials, including a new Attachment 4 letter, which was signed by a vice president of a company that appears to be an independent wholesale broker, but is definitely not an insurance

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company. Additionally, this second Attachment 4 failed to sufficiently meet additional requirements of OAR 836-071-0323(2)(a) because it did not attest to the fact that the signer was aware of the offense to which the consent application applies and did not describe the Respondent's character traits as they relate to the employment, position or activities for which written consent is sought or the duties and responsibilities thereof. Lastly, the resubmitted application materials did not include as an attachment a written agreement or contract with an insurer or its agent, otherwise known as "Attachment 6."

7. As of the date of this order, Respondent has failed to provide all of the documentation that would be required to obtain the required 1033 waiver. However, Respondent has made good faith efforts to do so, and has provided assurances to the Division that she is diligently working to have her Theft I conviction expunged. If she manages to do so, then the requirement for her to obtain a 1033 waiver would likely be removed.

8. Respondent has provided the Division with notice that she wishes to withdraw her 2023 application to renew her insurance producer license. She has also consented to surrender her insurance producer license, in lieu of the Director revoking the license, with the goal of reapplying for the license after obtaining an expungement.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

9. Pursuant to ORS 744.074(1)(a), the Director may suspend, revoke, or refuse to issue or renew an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for providing incorrect, misleading, incomplete or materially untrue information in the license application.

10. By filing an insurance application in which she failed to disclose her prior felony for Theft I, Respondent violated ORS 744.074(1)(a), and the Director may refuse to renew and revoke her current license.

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11. Pursuant to ORS 744.074(1)(f), the Director may suspend, revoke, or refuse to issue or renew an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, if the licensee or applicant was previously convicted of a felony, or of a misdemeanor involving dishonesty or breach of trust.

12. Because Respondent was convicted of Theft I for wrongfully obtaining $1,500 in public assistance, which is a felony and also a crime involving dishonesty, Respondent violated ORS 744.074(1)(f), and the Director may refuse to renew and revoke her current license.

13. 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, directed to such person, to discontinue or desist from such violation or threatened violation.

14. Because the Director has reason to believe that Respondent has violated ORS 744.074(1)(a) and (f), the Director may issue an order directed to Respondent to discontinue or desist from those violations under ORS 731.252(1).

ORDERS

The Director issues the following ORDERS:

15. Pursuant to the authority of ORS 731.252(1), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating ORS 744.074(1)(a) and(f).

16. The Director hereby grants Respondent's request to voluntarily surrender her Oregon nonresident insurance producer license in lieu of the Director revoking her license.

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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.

IT IS SO ORDERED.

Dated this 16th day of July 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, Lori Chapin, state that I have read the foregoing order and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. I desire to resolve and settle this matter with the Director. I voluntarily, without any force or duress, consent to the entry of this order, expressly waiving any right to a hearing in this matter. I understand that the Director reserves the right to take further actions to enforce this order or to take appropriate actions upon the discovery of other violations of the Oregon Insurance Code or laws regulated under the Division's statutory authority, and I will fully comply with the terms and conditions stated herein.

I further understand that this consent order is a public document.

Dated this 3rd day of July, 2024.

/s/ Lori Chapin
Lori Chapin

State of Idaho

County of Canyon

Signed or attested before me on this 3rd day of July, 2024

By Tina J Ellis.

/s/ Tina J Ellis
Notary Public

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