

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

In the Matter of:

Case No. INS-22-0051

Hope E. Olsen, *an individual*, and
JR Olsen Bonds & Insurance Brokers Inc.

Respondents.

FINAL ORDER TO CEASE AND
DESIST, ORDER REVOKING
LICENSES, ORDERS ASSESSING
CIVIL PENALTY AND FORFEITURE,
ENTERED BY DEFAULT

On November 29, 2022, the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), by and through the Division of Financial Regulation (“Division”), served an Order to Cease and Desist, Proposed Order Revoking Licenses, Proposed Orders Assessing Civil Penalties and Forfeiture, and Notice of Right to An Administrative Hearing (the “Notice”) on Hope E. Olsen, *an individual* and JR Olsen Bonds & Insurance Brokers, Inc. (collectively “Respondents”).

The Notice offered Respondents an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further informed Respondents that if a hearing was not conducted because Respondents did not timely request a hearing or otherwise defaulted, then the designated portion of the Division’s file and all materials submitted by Respondents 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 Respondents a request for a hearing and has not conducted a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

Now, therefore, after considering the relevant portions of the Division’s file relating to this matter, the Director finds and orders as follows.

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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. JR Olsen Bonds & Insurance Brokers, Inc. (“Olsen Bonds”) was a licensed in
4 Oregon as a non-resident business entity insurance producer from November 5, 1992 to
5 November 30, 2021. Olsen Bonds’ NAIC national producer number is 663906.

6 2. Olsen Bonds’ business address was 7407 Topanga Canyon Blvd, Canoga Park,
7 CA, 91303.

8 3. Hope E. Olsen (“Hope”) was licensed in Oregon as a non-resident insurance
9 producer on August 15, 2018. Her NAIC national producer number is 4062482. Her
10 license expired on August 31, 2022.

11 4. Hope’s business address is 7407 Topanga Canyon Blvd, Canoga Park, CA
12 91303.

13 5. Hope is the Designated Responsible Licensed Producer (“DRLP”) for Olsen
14 Bonds.

15 Failure to submit premium payment to underwriter

16 6. On or around July 23, 2021, Oregon resident JT purchased a \$60,000 bond
17 through Chamberlin Insurance. Chamberlin Insurance sent \$3,656.00 of the premium to
18 Olsen Bonds on July 23, 2021. Olsen Bonds issued the bond coverage, but did not submit
19 the premium payment to the underwriter, NFP Property and Casualty Services, Inc.,
20 (“NFP”) or to the carrier, Platte River Insurance Company (“Platte River”).

21 7. On October 19, 2021, at NFP’s request, Platte River issued a cancelation notice
22 that terminated JT’s coverage. The notice was also sent to the Oregon Construction
23 Contractor’s Board (“CCB”), who notified JT that his contractor’s license would be
24 suspended on November 23, 2021 as a result of the bond cancellation.

25 8. Upon receiving the notice of suspension from the CCB, JT contacted his agent
26 Chamberlain Insurance, who in turn reached out to Olsen Bonds by phone and email, but

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1 did not receive a response from Olsen Bonds. Instead, the Chamberlain Insurance agent
2 received a response from S. Phillips Surety and Insurance Services, Inc. (“Phillips Surety”),
3 which advised that it was taking over all future renewal business and all new business for Olsen
4 Bonds, but they were not involved with Olsen Bonds’ prior dealings.

5 9. JT purchased a new bond through Chamberlain Insurance, but upon information
6 and belief JT never received a refund from Olsen Bonds for the \$3,656.00 in premium
7 payments that were improperly retained by Olsen Bonds.

8 10. Upon further information and belief, no fewer than seven other Oregon
9 consumers purchased bonds through Olsen Bonds, paying a total of approximately \$6,739
10 in premium funds for those bonds, but Olsen Bonds failed to remit those funds to the
11 applicable insurer or underwriter and the bonds were cancelled.

12 *Failure to respond to the Director’s inquiries*

13 11. On October 29, 2021, JT submitted a complaint to the Division of Financial
14 Regulation (“DFR”). In response to the complaint, a DFR consumer advocate sent an email
15 to Olsen Bonds and received an automatic reply saying JR Olsen Bonds closed
16 unexpectedly and uninterrupted service is being provided by Phillips Surety.

17 12. On or around the same date, the DFR consumer advocate sent an email to
18 Phillips Surety. The company responded with an email saying Phillips Surety would
19 accommodate agents with their future renewals, but the company was “...not involved with
20 JR Olsen’s prior dealings.”

21 13. On February 4, 2022, a DFR investigator contacted Hope and Olsen Bonds at
22 three separate email addresses listed in the licensing records for Hope and Olsen Bonds,
23 and requested that Olsen Bonds provide certain information relating to the above-described
24 transactions. The deadline to provide a response was March 7, 2022. The DFR investigator
25 received an automatic reply similar to the message received by the Chamberlain Insurance
26 agent and the DFR consumer advocate, but received no other response.



1 14. On March 22, 2022, the DFR investigator sent a letter via certified and regular
2 mail to Hope and Olsen Bonds at all three physical addresses listed in the licensing records
3 for Hope and Olsen Bonds, requesting the same information that was previously requested
4 via email on February 4, 2022. The mailings were all returned as undeliverable and no
5 response was received from Hope or Olsen Bonds.

6 15. On May 19, 2022, the DFR investigator attempted to reach Hope by phone at
7 all numbers listed in the licensing records for Hope and Olsen Bonds, but all of the numbers
8 were no longer in service.

9 16. Despite repeated attempts by DFR employees to request information from Hope
10 and Olsen Bonds relating to the above-described conduct, DFR has not received any
11 response from Hope or Olsen Bonds to its requests for information.

12 CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 17. Under ORS 744.059(2)(b), a business entity is required to designate a licensed
15 insurance producer responsible for the business entity's compliance with the Insurance
16 Code.

17 18. As the DRLP for Olsen Bonds, Hope is responsible for Olsen Bonds'
18 compliance with the Insurance Code.

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

23 20. Under ORS 746.120, no person shall willfully collect any sum as premium or
24 charge for insurance which is not then provided, or is not in due course to be provided
25 subject to acceptance of the risk by the insurer, under an insurance policy issued by an
26 insurer in conformity with the Insurance Code.



1 21. Respondents violated ORS 746.120 by collecting from JT a premium in the
2 amount of \$3,656 for insurance which was initially issued, but then subsequently cancelled
3 by the insurer when Respondents failed to remit the premium to the underwriter, as more
4 fully described in Paragraphs six through nine above.

5 22. Under OAR 836-074-0025, when a payment is owed to an insured, the
6 insurance producer shall pay the premium funds not later than the 30th day after the receipt
7 of the funds.

8 23. Because Respondents collected a premium from JT for insurance that was
9 ultimately cancelled for non-payment of premiums, the entire amount of the \$3,656
10 premium paid by JT and being held by Respondents was owed to JT not later than the 30th
11 day after cancellation of the insurance. Respondents violated OAR 836-074-0025 by
12 failing to refund to JT his premium not later than the 30th day after cancellation of the
13 insurance.

14 24. Under ORS 744.074(1)(d), the Director may revoke an insurance producer
15 license for improperly withholding, misappropriating or converting any moneys or
16 properties received in the course of doing insurance business.

17 25. Respondents improperly withheld the \$3,656 in premium funds paid by JT, and
18 as a result the Director may revoke Respondents' insurance producer licenses pursuant to
19 ORS 744.074(1)(d).

20 26. Under ORS 731.296, the Director may address any proper inquiries to any
21 insurer, licensee or its officers in relation to its activities or condition or any other matter
22 connected with its transactions. Any such person so addressed shall promptly and truthfully
23 reply to such inquiries using the form of communication requested by the Director.

24 27. Respondents violated ORS 731.296 when they failed to respond to the
25 Division's requests for information, as set forth in Paragraphs eleven through sixteen
26 above.



1 28. Under ORS 744.074(1)(b), the Director may revoke an insurance producer
2 license for violating any insurance law or rule.

3 29. The Director may revoke Respondents' insurance producer licenses pursuant to
4 ORS 744.074(1)(b), as the result of Respondents' violations of ORS 746.120, as more fully
5 described in Paragraphs 20 and 21 above, violations of OAR 836-074-0025, as more fully
6 described in Paragraphs 22 and 23 above, and violations of ORS 731.296, as more fully
7 described in Paragraphs 26 and 27 above.

8 30. Under ORS 731.988(1), the Director may assess CIVIL PENALTIES in an
9 amount not to exceed \$10,000 per violation against a person who violates any provision of
10 the Insurance Code or any lawful rule of the Director.

11 31. Under ORS 731.988(2), in addition to the civil penalty specified in ORS
12 731.988(1), a person that violates any provision of the Insurance Code may be required to
13 FORFEIT and pay to the General Fund a civil penalty in an amount by which the person
14 profited in any transaction that violates that provision of the Insurance Code.

15 ORDERS

16 The Director issues the following ORDERS:

17 Order to Cease and Desist

18 32. As authorized by ORS 731.252(1), the Director ORDERS Respondents to
19 CEASE AND DESIST from violating any provision of the Insurance Code or the
20 administrative rules promulgated thereunder.

21 Order Revoking Licenses

22 33. As authorized by ORS 744.074(1)(b) and (d), as more fully described in
23 Paragraphs 24 through 29 above, the Director hereby REVOKES Respondents' non-
24 resident insurance producer licenses.

25 Orders Assessing Civil Penalties and Forfeiture

26 34. Based upon the foregoing and as authorized by ORS 731.988(1), the Director

1 hereby ORDERS that Respondent Olson Bonds pay a CIVIL PENALTY of \$15,000 for
2 violating ORS 746.120, OAR 836-074-0025, and ORS 731.296.

3 35. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
4 hereby ORDERS that Respondent Hope pay a CIVIL PENALTY of \$1,500 for violating
5 ORS 746.120, OAR 836-074-0025, and ORS 731.296.

6 36. Based upon the foregoing and as authorized by ORS 731.988(2), the Director
7 hereby ORDERS that Respondents FORFEIT and pay an amount of \$3,656 for the
8 premium payment that was improperly withheld by Respondents.

9
10 FINAL ORDER

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

14
15 SO ORDERED this 31st day of January, 2023.

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

18 /s/ Dorothy Bean

19 Dorothy Bean, Chief of Enforcement
20 Division of Financial Regulation

21
22 NOTICE OF RIGHT TO JUDICIAL APPEAL

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

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