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

In the Matter of JACOB J. FINCH, Respondent.	Case No. INS-22-0108 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER

The Division of Financial Regulation (the "Division"), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), conducted an investigation of Jacob J. Finch ("Respondent"). The Division determined that Respondent violated provisions of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 ("Insurance Code") and the Oregon Administrative Rules ("OAR") promulgated under those laws.

Respondent, without admitting or denying the findings of fact or conclusions of law contained herein, wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signatures subscribed herein, Respondent hereby consents to entry of this order.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Respondent's National Association of Insurance Commissioners national producer number is 18685423. Respondent has been licensed as an Oregon resident insurance producer since February 16, 2018.

2. In or about June 2021, Oregon consumers and clients of Respondent, a married

couple identified herein as JF and GF, filed a complaint with the Division (the "Complaint").

3. The Complaint indicated that JF and GF owned a residence in Talent, Oregon. The couple indicated that they had lived in that house as their primary residence and it was insured as such through their agent, Respondent. In 2019, they contacted Respondent to inform him that they planned to rent the Talent, Oregon property and to have the homeowners insurance policy re-written as a rental property.

4. Respondent re-wrote the policy as a rental property. In doing so, Respondent decreased the policy limits from $366,900 to $350,000.

5. JF and GF signed that new insurance policy and paid the premiums on it. They represent to the Division, however, that they were unaware of the reduction in coverage.

6. Respondent represents that he spoke to and obtained approval from JF and GF to reduce the policy limits, and further claims that the fact that the couple signed the policy and paid the premiums indicates that they approved this new policy, including the reduced policy limits.

7. Respondent is otherwise unable to provide any emails, correspondence, or other documentation of his discussions with JF and GF regarding the reduction in policy limits or their acceptance of the same.

8. On or about September 8, 2020, JF and GF's property was destroyed as a result of the 2020 wildfires. Ultimately, the insurance company for whom Respondent is an agent agreed to pay the original coverage limits of $366,900.

9. Respondent participated in and cooperated with the Division's investigation into this matter.

10. Respondent represents to the Division that he has implemented new policies or procedures regarding the creation and retention of records, including but not limited to such records reflecting changes made to the policy limits of clients' homeowners insurance

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policies.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

11. Under ORS 731.104, "insurance producer" means a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance.

12. Respondent is an "insurance producer" under ORS 731.104.

13. Under ORS 744.074(1)(h), the Director may take actions authorized by the Insurance Code for demonstrating incompetence or untrustworthiness in the conduct of business in this state or elsewhere.

14. By failing to document in-person discussions or maintain correspondence, notes, or other written records reflecting the customer's requests or agreements to reduce the dwelling coverages in their homeowners insurance policies, Respondent demonstrated incompetence or untrustworthiness in the conduct of business in this state or elsewhere, in violation of ORS 744.074(1)(h).

15. Under ORS 744.068(2), a resident insurance producer shall keep at the principal place of business of the insurance producer the usual and customary records pertaining to the business under the resident insurance producer license. All such records shall be kept available and open to the inspection of the director during business hours. A resident insurance producer shall keep records of insurance transacted by the insurance producer under the license for three years following expiration of the policy unless the director designates another period.

16. By failing to create or keep records pertaining to discussions or approval of the reduction in homeowners insurance dwelling coverages for the clients identified above, Respondent violated ORS 744.068(2).

17. Under 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

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Insurance Code, the Director may issue an order, directed to such person, to discontinue or desist from such violation or threatened violation.

18. Because the Director has reason to believe that Respondent has violated the Insurance Code, including ORS 744.074(1) and ORS 744.068(2), the Director may issue an order directed to Respondent to discontinue or desist from that violation under ORS 731.252(1).

19. Under ORS 731.988(1) a person that violates any provision of the Insurance Code shall forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the Director that does not exceed $10,000 for each offense. The civil penalty for individual insurance producers, adjusters or insurance consultants may not exceed $1,000 for each offense. Each violation is a separate offense.

20. Because Respondent has violated the Insurance Code, he is subject to a civil penalty under ORS 731.988(1).

ORDERS

The Director issues the following ORDERS:

Order to Cease and Desist

21. Pursuant to the authority of ORS 731.252(1), the Director hereby orders Respondent to CEASE AND DESIST from violating ORS 744.074(1)(h) and ORS 744.068(2).

Order to Assessing Civil Penalties

22. Pursuant to the authority of ORS 731.988(1), the Director hereby ORDERS the assessment of CIVIL PENALTIES against Respondent in the amount of $1,000 for violating ORS 744.074(1)(h) and ORS 744.068(2).

23. The Director SUSPENDS collection of the five hundred dollars ($500) of the foregoing civil penalties, provided that at or prior to the time he returns this signed Consent Order, Respondent:

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A. Pay the remaining five hundred dollar ($500) civil penalty;

B. Provide to the Division a written explanation of the changes made to his policies or practices regarding the creation and retention of records, including but not limited to such records reflecting changes made to the policy limits of clients' homeowners insurance policies, in accordance with the Division's statutes and rules; and

C. Complies with the Insurance Code.

24. The Director agrees to waive the foregoing suspended one thousand dollars ($1,000) of civil penalties at the end of a period of three (3) years from the date this Consent Order is fully executed provided that Respondent complies with all terms of this Consent Order and the Insurance Code. Respondent's failure to satisfy any term of this Consent Order will render all suspended and non-suspended penalties immediately due and owing.

NONDISCHARGEABLITY

25. Respondent agrees the facts and violations set forth in this Order may be taken as true without further proof in any bankruptcy case or subsequent civil litigation the Director may pursue to enforce its rights to any payment or money judgment under the terms of this Order, including but not limited to any nondischargeablity complaint in any bankruptcy proceeding and that this Order shall have collateral estoppel effect in any bankruptcy case.

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FINAL ORDER

26. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of Respondent that are not covered by this Order, or against any party not covered by this Order.

IT IS SO ORDERED.

Dated this 30th day of May 2023.

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, Jacob Finch, have read the foregoing Consent Order and I 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 voluntarily consent to the entry of this Consent 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. I understand that this is a "Final Order" under ORS 183.310(6)(b). I understand that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that I have committed other violations of the Insurance Code. I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

Signature: /s/ Jacob Finch

Name: Jacob Finch

State of Oregon

County of **Jackson**

Signed or attested before me on this 21st day of **May**, 2023 by **by Jacob Jay Finch**.

/s/ Laura Louise Smith

Notary Public

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