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

In the Matter of:	Case No. INS-21-0058
HOWARD D. REYNOLDS Respondent.	FINAL ORDER TO CEASE AND DESIST, DENYING LICENSE APPLICATION, AND REVOKING LICENSE, ENTERED BY DEFAULT

On March 15, 2022, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting by and through the Division of Financial Regulation (the "Division"), and 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"), issued and served a Notice Order against Howard D. Reynolds ("Reynolds"), informing Reynolds that the Director proposed to deny the Oregon nonresident insurance adjuster license renewal application and revoke the nonresident insurance adjuster license of Reynolds for certain violations of the Insurance Code.

The Notice Order offered Reynolds an opportunity for a hearing if requested within 60 days of service of the Notice Order. The Notice Order further informed Reynolds that if a hearing was not conducted because Reynolds did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Reynolds 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 Reynolds a request for a hearing and did not conduct a hearing.

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Reynolds is a California resident with a last recorded business address at 7040 Avenida Encinas, Ste 104-272, Carlsbad, CA 92024.

2. Reynolds obtained an Oregon nonresident insurance producer license and his national insurance producer number is 1300258.

3. On or around November 30, 2020, the Division received Reynolds's nonresident insurance producer renewal application.[1]

4. On December 1, 2020, the Division sent an email to Reynolds at the address on file with the Division, advising that the State of Oregon would require persons seeking to renew nonresident insurance adjuster licenses to submit proof of passing the Oregon adjuster exam.[2]

5. On December 1, 2020, Reynolds responded to the aforementioned email requesting a renewal based on his Texas license[3].

6. On December 1, 2020, Reynolds was advised via email that the Texas license cannot be used for purposes of reciprocity as he is a resident of a non-reciprocal state, California. The Division again advised that he would be required to submit proof of passing the Oregon exam.

7. On July 19, 2021, the Division sent Reynolds a follow up email, advising that his nonresident insurance producer license was expired, and that he would need to provide proof of passing the Oregon exam to reinstate his license. The Division did not receive a response from Reynolds.

[1] Reynolds' license expired that same day.
[2] This requirement was instituted due to a change in Oregon law, effective January 1, 2019.
[3] *See* ORS 744.528

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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. Pursuant to ORS 744.528(2)(b), "an applicant for a license to engage in business as a nonresident adjuster must pass an examination that the Director by rule recognizes as adequately testing the applicant's qualifications, competence and knowledge of the categories of insurance business and classes of insurance that the applicant intends to transact under a license and the applicant's knowledge of an adjuster's duties and responsibilities under the Insurance Code and other laws of this state." Because Reynolds failed to submit proof of passing the Oregon adjuster exam, he was in violation of ORS 744.528(2)(b).

10. ORS 731.296 authorizes the Director to "address any proper inquiries to any insurer, licensee or its officers in relation to its activities or condition or any other matter connected with its transactions" and requires any person so addressed to "promptly and truthfully reply to such inquiries using the form of communication requested by the director." Reynolds violated ORS 731.296 by failing to respond to the Director's requests to provide required documentation relating to his passage of the Oregon adjuster exam.

11. ORS 744.584(2)(a)(B) authorizes the Director to suspend, revoke, or refuse to renew a licensee's license if the licensee engages in certain prohibited practices set forth in ORS 744.584(1). Pursuant to ORS 744.584(1)(o), a licensee or an applicant for a license to engage in business as an adjuster may not fail to comply with an applicable provision of the Insurance Code. Reynolds failed to comply with an applicable provision of the Insurance Code by violating ORS 744.528(2)(b) and ORS 731.296. Accordingly, the

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Director may revoke Reynolds' nonresident insurance adjuster license, and deny his application of renewal for the same, pursuant to ORS 744.284(2)(a)(B).

ORDERS

Now therefore, the Director issues the following Orders:

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

13. The Director, pursuant to ORS 744.074(2)(a)(B), hereby DENIES Reynolds' nonresident insurance adjuster license renewal application.

14. The Director, pursuant to ORS 744.074(2)(a)(B), hereby REVOKES Reynold's nonresident insurance adjuster license.

SO ORDERED this 19th day of May, 2022 in Salem, Oregon.

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

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

NOTICE OF RIGHT TO JUDICIAL APPEAL

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

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