

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

In the Matter of:

Case No. INS-22-0060

TRICIA KAY KLOCK,
an individual,

Respondent.

ORDER TO CEASE AND DESIST,
ORDERS REVOKING LICENSE AND
ASSESSING CIVIL PENALTIES,
AND CONSENT TO ENTRY OF
ORDER

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 (“Division) and in accordance with Oregon Revised Statutes (“ORS”) 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has determined that Tricia Kay Klock (“Klock”) engaged in activities constituting violations of the Oregon Insurance Code.

Klock wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signatures subscribed on this Order, Klock hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Klock was issued an Oregon resident insurance producer license on October 23, 2014. Klock’s license number and National Producer Number (NPN) is 17404784.
2. On July 16, 2020, Klock voluntarily surrendered her Oregon insurance producer license.

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1 3. The Division has become aware of circumstances pertaining to Klock’s conduct
2 as an insurance producer that compel the entry of this Order. These circumstances are
3 described in greater detail below.

4 The MG Bond Payments

5 4. On March 15, 2017, an Oregon consumer who will be identified for purposes
6 of this Order as MG wrote a check payable to Klock’s insurance agency in the amount of
7 \$330. MG wrote this check in the belief that she was paying for a surety bond for a business
8 operated by MG’s husband (who will be identified for purposes of this Order as RG).

9 5. On March 15, 2017, Klock deposited MG’s check in Klock’s personal US Bank
10 account as part of a larger deposit totaling \$1,150.

11 6. On March 20, 2017, MG wrote another check payable to Klock’s insurance
12 agency in the amount of \$330. As with the previous check, MG wrote this check on the
13 belief that she was making a premium payment on a surety bond for RG’s business.

14 7. On March 20, 2017, Klock deposited MG’s second check into Klock’s personal
15 US Bank account as part of a larger deposit totaling \$2,535.

16 8. On March 22, 2017, Klock withdrew \$3,515 dollars in cash from her personal
17 US Bank account. On knowledge and belief, Klock used this money—including the \$660
18 paid to Klock by MG—for Klock’s personal benefit.

19 The MG Automobile Insurance Policy

20 9. On March 17, 2017, Klock sold a Bristol West automobile insurance policy
21 (“the Bristol West Policy”) to MG.

22 10. At the time of purchase, MG believed the Bristol West Policy would cover
23 herself, her husband RG, and her teenage son (who will be identified for purposes of this
24 Order as GG). Furthermore, MG believed that the Bristol West Policy gave full coverage
25 to all four of the vehicles owned by MG and RG, including a 2005 Honda Civic that was
26 principally used by their son, GG.



1 11. In actuality, the Bristol West Policy was issued in the name of RG only, and did
2 not list any additional drivers. Moreover, the 2005 Honda Civic had only storage coverage
3 under the Bristol West Policy. For the other three vehicles, the Bristol West Policy
4 provided only liability, personal injury protection, and uninsured/underinsured bodily
5 injury and property damage coverage.

6 12. On July 28, 2017, between 9:30 AM and 10:00 AM, GG was in a single-car
7 accident in the 2005 Honda Civic. Between 9:36 AM and 10:53 AM, MG made several
8 calls to Klock and to Klock's assistant.

9 13. At 11:35 AM on July 28, 2017, Klock added Liability, Personal Injury
10 Protection, Uninsured/Underinsured Bodily Injury and Property Damage, Collision, Rental
11 Reimbursement, and Towing and Labor coverage for the 2005 Honda Civic. Klock also
12 added Comprehensive, Collision, Rental Reimbursement, and Towing and Labor coverage
13 for MG and RG's other three vehicles.

14 14. On July 31, 2017, a claims investigator from Bristol West interviewed Klock.
15 In this interview, Klock told the investigator that she had added coverage for MG and RG's
16 vehicles before hearing about GG's car accident, based on a voicemail that she received
17 from MG on the evening of July 27. The claims investigator separately interviewed MG
18 on July 31, 2017, and MG generally supported this version of events.

19 15. On December 12, 2019, an Oregon State Police ("OSP") detective interviewed
20 MG in connection with a criminal investigation into the conduct of Klock. In that interview
21 MG stated that, shortly after GG's crash, Klock had instructed MG to tell the claims
22 investigator that Klock and MG had previously been in contact about adding coverage to
23 the 2005 Honda Civic. MG confirmed in the interview that this was not actually the case.

24 *The BG Automobile Insurance Policy*

25 16. On June 28, 2017, an Oregon consumer who will be identified for purposes of
26 this Order as BG remitted to Klock \$112.05 via CashApp. The purpose of this payment



1 was ostensibly to pay the premium on an automobile insurance policy. However, no policy
2 for BG was issued until July 18, 2017.

3 17. On June 29, 2017, Klock withdrew \$109.92 from her CashApp account and
4 deposited it in her personal US Bank account.

5 18. On July 18, 2017, Foremost Insurance Group (“Foremost”) issued an
6 automobile insurance policy for BG with a monthly premium of \$107.63 (“the BG Auto
7 Insurance Policy”).

8 19. On September 10, 2017, Foremost terminated the BG Auto Insurance Policy
9 for failure to pay premiums. On knowledge and belief, Klock did not remit to Foremost
10 any part of the \$112.05 that BG had given to her for that purpose, and instead appropriated
11 that money for her own use.

12 *The JR Automobile Insurance Policy*

13 20. On June 26, 2017, an Oregon consumer who will be identified for purposes of
14 this Order as JR remitted \$276 to Klock using CashApp. JR did so believing that he was
15 purchasing an insurance policy for his 2002 Honda Accord.

16 21. On June 27, 2017, Klock transferred \$270.76 from her CashApp account to her
17 personal US Bank Account. At this time, the insurance policy JR believed he was paying
18 for had not been issued. On knowledge and belief, Klock used the \$270.76 for personal
19 expenses.

20 22. On July 21, 2017, JR paid \$311.50 to Klock using CashApp—again for
21 purposes of paying the premium for JR’s insurance policy.

22 23. On July 24, 2017, Klock transferred \$305.58 from her CashApp account to her
23 US Bank account. Here again, the insurance policy JR believed he was paying for had not
24 been issued, and the money JR remitted to Klock was not used to pay the insurance
25 premium, but rather for Klock’s personal expenses.

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1 Klock's Identity Theft Convictions

2 24. On April 22, 2022, Klock was convicted on four counts of identity theft—a
3 class C felony—in Marion County Circuit Court case no. 21CR15785.

4 25. The victims in Marion County Circuit Court case no. 21CR15785 were all
5 Oregon consumers who had been customers of a business operated by Klock.

6 26. In each count of Identity Theft, Klock was convicted of converting the personal
7 identification of each victim for Klock's own use, "with intent to deceive and defraud."

8 CONCLUSIONS OF LAW

9 The Director CONCLUDES the following:

10 Misrepresentation in Insurance Business

11 27. ORS 746.100 forbids any person from making "a false or fraudulent statement
12 or representation on or relative to an application for insurance."

13 28. Klock violated ORS 746.100 by falsely representing to MG that the Bristol
14 West Policy would cover MG, her husband RG, and their son GG, and that the Bristol West
15 Policy included full coverage for all four of the vehicles used by MG and her family.

16 29. Klock violated ORS 746.100 by increasing coverage for MG's vehicles on July
17 28, 2017—immediately after learning of GG's car accident.

18 30. Klock violated ORS 746.100 by falsely telling the Bristol West claims
19 investigator that MG had requested an increase in coverage for the 2005 Honda Civic
20 immediately before GG's car accident

21 31. Klock violated ORS 746.100 by falsely representing to BG that the \$112.05
22 payment made to Klock by BG on June 28, 2017 would be applied to the premium for
23 BG's auto insurance policy.

24 32. Klock violated ORS 746.100 by representing to JR that she had obtained full
25 coverage insurance on his behalf.

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1 Use of Device, Scheme, or Artifice to Defraud

2 33. ORS 746.075 (2)(e) forbids any person from “employing any device, scheme
3 or artifice to defraud” in connection with a sale or offer of insurance.

4 34. Klock violated ORS 746.075 (2)(e) by instructing MG to falsely report to the
5 Bristol West claims investigator that Klock and MG had been in contact about increasing
6 coverage for the 2005 Honda Civic immediately before GG’s car accident.

7 Obtaining Money through Misrepresentation

8 35. ORS 746.075 (2)(f) forbids any person from obtaining money or property “by
9 means of any untrue statement of a material fact” and by means of “any omission to state
10 a material fact” in connection with an offer or sale of insurance.

11 36. Klock violated ORS 746.075 (2)(f) in the following instances:

12 A. On March 15, 2017, when Klock obtained \$330 from MG by misrepresenting
13 that this sum would be applied to the premium on the bond for RG’s business;

14 B. On March 20, 2017, when Klock obtained \$330 from MG by misrepresenting
15 that this sum would be applied to the premium on the bond for RG’s business;

16 C. On June 28, 2017, when Klock obtained \$112.05 from BG by misrepresenting
17 that this sum would be applied to the premium for BG’s auto insurance policy;

18 D. On June 26, 2017, when Klock obtained \$276 from JR by misrepresenting that
19 this sum would be applied to the premium for JR’s auto insurance policy; and

20 E. On July 21, 2017, when Klock obtained \$311.05 from JR by misrepresenting
21 that this sum would be applied to the premium for JR’s auto insurance policy.

22 Felony Conviction Involving Dishonesty

23 37. 18 United States Code (USC) §1033 (e)(1)(A) forbids any person who has been
24 convicted of a “criminal felony involving dishonesty or breach of trust” from engaging in
25 the business of insurance.

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1 38. On April 22, 2022, Klock was convicted on four counts of Identity Theft, a
2 Class C felony, as was further described in Paragraphs 24-26 above. Klock’s Identity Theft
3 convictions each arose from circumstances involving dishonesty or breach of trust.

4 Authority for Licensing Action

5 39. Under ORS 744.074 (1)(d), the Director may “place a licensee on probation or
6 suspend, revoke or refuse to issue or renew an insurance producer license” for
7 “[i]mproperly withholding, misappropriating or converting any moneys or properties
8 received in the course of doing insurance business.” The Director may revoke Klock’s
9 license as a result of the misappropriation and conversion of client funds described in
10 Paragraph 36 above.

11 40. Under ORS 744.074 (1)(f), the Director may “place a licensee on probation or
12 suspend, revoke or refuse to issue or renew an insurance producer license” if a producer is
13 convicted of a felony, or of a misdemeanor involving dishonesty or breach of trust. The
14 Director may revoke Klock’s license as a result of the felony identity theft convictions
15 described in Paragraph 38 above.

16 41. Under ORS 744.074(1)(h), the Director may “place a licensee on probation or
17 suspend, revoke or refuse to issue or renew an insurance producer license” if a producer
18 uses “fraudulent, coercive or dishonest practices” in the conduct of business. The Director
19 may revoke Klock’s license as a result of the conduct described in Paragraph 34 above.

20 42. ORS 731.428 (4) requires the Director to revoke the license an insurance
21 producer if the producer is convicted of a felony involving dishonesty or breach of trust.
22 The Director is required to revoke Klock’s license as a result of the felony identity theft
23 convictions described in Paragraph 38 above.

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1 Cease and Desist Authority

2 43. Under ORS 731.252 (1), because the Director has reason to believe that Klock
3 has engaged in violations of the Insurance Code, the Director may issue an order to Klock
4 to cease and desist from violations of the Insurance Code.

5 Civil Penalties Authority

6 44. Under ORS 731.988(1), the Director may impose a civil penalty against an
7 individual insurance producer in an amount not to exceed \$1,000 for each violation of the
8 Insurance Code. Each violation is a separate offense.

9 ORDERS

10 Now therefore, the Director issues the following Orders:

11 Cease and Desist

12 45. As authorized by ORS 731.252 (1), the Director ORDERS Klock to CEASE
13 AND DESIST from violating ORS 744.074 (1)(d), (f), and (h), ORS 746.075 (2)(e) and
14 (f), ORS 731.428 (4) and ORS 746.100.

15 Revocation of Oregon Insurance Producer License

16 46. As authorized by ORS 731.428 (4) and 744.074 (1)(d), (f), and (h), the Director
17 REVOKES Klock's Oregon insurance producer license.

18 Civil Penalties

19 47. As authorized by ORS 731.988 (1), the Director hereby ORDERS that Klock
20 be subject to a CIVIL PENALTY of \$11,000 as follows:

- 21 A. \$5,000 for violating ORS 746.100 in five instances, as described in
22 Paragraphs 27-32, above;
- 23 B. \$1,000 for violating ORS 746.075 (2)(e) in one instance, as
24 described in Paragraph 34, above; and
- 25 C. \$5,000 for violating ORS 746.075 (2)(f) in five instances, as
26 described in Paragraphs 35-36, above.

1 48. The Director hereby SUSPENDS payment of \$9,000 of the CIVIL PENALTY
2 imposed on Klock for a period of three years from the effective date of this Order, provided
3 Klock complies with this order and commits no new violations of the Insurance Code, or
4 of any rules adopted pursuant to the Insurance Code.

5 49. The \$2,000 non-suspended CIVIL PENALTY assessed herein against Klock is
6 due and payable at the time this Order is returned to the Division.

7 50. The \$9,000 suspended CIVIL PENALTY will be waived three years from the
8 effective date of this Order, provided Klock has complied with the forgoing Order terms
9 and does not commit any further violations of the Insurance Code during the three year
10 period. The Director reserves the right to immediately assess and collect the suspended
11 civil penalty upon a determination that Klock has violated any term of this Order or has
12 committed any further violation of the Insurance Code.

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

16 DESIGNATION OF RECORD

17 The Director designates the Division's file on this matter, which includes all
18 materials submitted by Respondent, if any, as the record in this case. In accordance with
19 OAR 137-003-0670(3), the record contains sufficient evidence of the existence of facts
20 necessary to support a final order by default should the Director issue such an order.

21 SO ORDERED this 20th day of September, 2023.

22 Andrew R. Stolfi, Director
23 Department of Consumer and Business Services

24 /s/ Dorothy Bean
25 Dorothy Bean, Chief of Enforcement
26 Division of Financial Regulation

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