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

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| In the Matter of: | Case No. INS-21-0065 |
| JENNIFER I. TOVAR CHES,<br><br>Respondent. | FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, AND AGREEMENT NOT TO APPLY FOR A LICENSE, ENTERED BY CONSENT |

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), through the Division of Financial Regulation (the "Division"), investigated the business activities of Jennifer I. Tovar Ches ("Tovar Ches") and determined that she violated certain provisions of the Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748, and 750 and the rules promulgated thereunder (collectively, the "Insurance Code").

Tovar Ches cooperated with the Director's investigation and, without admitting or denying the Findings of Fact and Conclusions of Law contained herein, wishes to settle this matter.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Tovar Ches hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law, as stated below.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

## FINDINGS OF FACT

The Director FINDS that:

### Respondent

1. At various times relevant, Tovar Ches was an Oregon resident insurance producer who was first licensed in Oregon on January 23, 2015. Her National Producer

Number is 17482847. Her license expired on October 31, 2021.

2. On May 22, 2017, Tovar Ches was appointed as an agent with several subsidiaries of Farmers Insurance ("Farmers"), including Foremost Insurance, whose automobile insurance program is provided by Bristol West. Bristol West caters to consumers with low credit scores, no automobile insurance history, or a poor driving record.

3. Farmers terminated Tovar Ches's appointment for cause on January 22, 2020.

4. On January 27, 2020, Farmers reported Tovar Ches's termination to the Division. The Division opened an investigation regarding Tovar Ches's business practices in March 2020 and determined that she engaged in the following conduct during her appointment with Farmers as an agent.

False Birthdates

A. In at least nine insurance applications, Tovar Ches entered a false birthdate to serve as a "placeholder" birthdate for the spouse or partner of the primary insured because the primary insured did not know the spouse or partner's birthdate.

Fictitious or Invalid Bank Account Numbers

B. In at least eight instances, Tovar Ches entered fictitious or invalid bank account numbers to obtain an Electronic Funds Transfer ("EFT") discount for her clients who did not qualify for the discount.

Increased Bodily Injury Limits

C. In at least four instances, Tovar Ches increased the bodily injury limits on the Bristol West insurance policies of her clients who were applying for Farmers insurance so they could obtain a better rating tier on Farmers insurance policies. Tovar Ches reduced the bodily injury limits on the Bristol West policies once her clients received a better rating tier.

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Sprinkler and Home Security Discounts

D. Tovar Ches automatically gave her clients a sprinkler discount on their renters insurance policies without verifying whether they qualified for the discount.

E. Tovar Ches also automatically gave her clients a home security discount on their homeowners or renters insurance policies without verifying whether they qualified for the discount.

## CONCLUSIONS OF LAW

The Director CONCLUDES that:

5. By entering false birthdates on at least nine insurance applications as described in paragraph 4A of this Order, Tovar Ches made false statements or representations on or relative to applications for insurance, in violation of ORS 746.100.

6. By entering false birthdates on at least nine insurance applications as described in paragraph 4A of this Order, Tovar Ches used dishonest practices or demonstrated untrustworthiness in the conduct of business in this state or elsewhere, in violation of ORS 744.074(1)(h).

7. By entering fictitious or invalid bank account numbers to obtain an EFT discount for her clients as described in paragraph 4B of this Order, Tovar Ches used dishonest practices or demonstrated untrustworthiness in the conduct of business in this state or elsewhere, in violation of ORS 744.074(1)(h).

8. By increasing bodily injury limits on Bristol West policies to obtain a better rating tier for her clients on Farmers insurance policies as described in paragraph 4C of this Order, Tovar Ches used dishonest practices or demonstrated untrustworthiness in the conduct of business in this state or elsewhere, in violation of ORS 744.074(1)(h).

9. By automatically giving her clients a sprinkler discount without verification as described in paragraph 4D of this Order, Tovar Ches demonstrated incompetence in the conduct of business in this state or elsewhere, in violation of ORS 744.074(1)(h).

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10. By automatically giving her clients a home security discount without verification as described in paragraph 4E of this Order, Tovar Ches demonstrated incompetence in the conduct of business in this state or elsewhere, in violation of ORS 744.074(1)(h).

11. ORS 744.074(1)(b) authorizes the Director to take action against Tovar Ches or her Oregon resident insurance license ("License") for violating an insurance law, to wit: ORS 746.100.

12. ORS 744.074(1)(h) authorizes the Director to take action against Tovar Ches or her License for using dishonest practices or demonstrating incompetence or untrustworthiness in the conduct of business in this state or elsewhere.

13. ORS 744.994 authorizes the Director to investigate or initiate disciplinary proceedings against a licensee even after the license has expired.

14. Because Tovar Ches violated ORS 746.100 and ORS 744.074(1)(h), the Director may, under ORS 731.252(1), order Tovar Ches to cease and desist from violating those statutes.

15. ORS 731.988(1) authorizes the Director to assess against Tovar Ches a civil penalty of up to $1,000 per violation of the Insurance Code.

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**ORDERS**

Now therefore, the Director issues the following Orders:

16. As authorized by ORS 731.252(1), the Director ORDERS Tovar Ches to CEASE AND DESIST from violating ORS 746.100 and ORS 744.074(1)(h).

17. Tovar Ches AGREES not to apply for any Oregon insurance license for 24 months, starting from the date of this Order. Applying for an insurance license during this period is a basis for denial of the license.

18. Nothing in this Order precludes Tovar Ches from applying for an Oregon insurance license 24 months AFTER the date of this Order. The Division will review Tovar

Ches's application according to the applicable law at the time of submission of the application.

19. As authorized by ORS 731.988(1), the Director ORDERS Tovar Ches to pay $11,500 in CIVIL PENALTIES for violating ORS 746.100 and ORS 744.074(1)(h). The Director SUSPENDS and shall WAIVE collection of $10,500 of the civil penalties, provided that Tovar Ches does not violate the Insurance Code or the terms of this Order.

20. If Tovar Ches satisfies the above conditions, the $10,500 suspended civil penalties shall be waived three (3) years from the date of this Order. However, if she fails to do so, the suspended civil penalties will become immediately due and owing.

21. Tovar Ches shall As authorized by ORS 731.988(1), the Director ORDERS Tovar Ches to pay $11,500 in CIVIL PENALTIES for violating ORS 746.100 and ORS 744.074(1)(h). The Director SUSPENDS and shall WAIVE collection of $10,500 of the civil penalties Tovar Ches shall submit the first $200 installment with this Order and then pay the subsequent installments by the 15th day of every month, starting in November 2022.

22. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to this provision, entry of this Order does not limit the Director's authority to enforce this Order or take action against Tovar Ches for violations of this Order or violations not included in this Order that are discovered after the date of this Order.

SO ORDERED this 29th day of September, 2022.

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, Jennifer I. Tovar Ches, state that I have read the foregoing Order and that I know and fully understand the contents hereof, without admitting or denying the Findings of Fact and Conclusions of Law. I have been advised of my right to a hearing and of the right to be represented by counsel in this matter. I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any right to administrative or judicial review of this Order. I understand that the Director reserves the right to take further actions against me 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.

*/s/ Jennifer Tovar Ches*
Signature

State of Oregon

County of Multnomah

Signed or attested before me on this 20th day of September, 2022.

*/s/ Michael Howard*

Notary Public

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