STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Cecile G. Zimmerman**.	)	**STIPULATION** and
	)	**FINAL ORDER**
	)	Case No. INS 00-12-008
	)	File No. 2109 IV

STIPULATION

The Director of the Department of Consumer and Business Services (Director) commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take disciplinary action against Cecile G. Zimmerman (Zimmerman) for violating the Oregon Insurance Code.

Zimmerman enters into this stipulation, pursuant to ORS 183.415(5) and Oregon Administrative Rules (OAR) 137-003-0510(3)-(4), to conclude this proceeding without further administrative or judicial proceedings.

Zimmerman has received a notice of proposed action and a notice of rights and procedures in contested cases. Zimmerman has not requested a hearing. Zimmerman waives any objections relative to such notices. Zimmerman also waives the right to have a hearing, to be represented by an attorney at the hearing and to judicial review of the final order.

Zimmerman admits and agrees to the following facts, conclusions and action.

Facts

Licensing

Zimmerman has been licensed in Oregon as a resident individual agent since 3/31/90. Zimmerman's license number is 105059. Zimmerman resides in Cave Junction, Oregon.

Illegal Withholding

On 4/27/98, Zimmerman, as an agent affiliated with Associated Agents of Josephine County (AAJC), received from Nora E. Trujillo (Trujillo) of Cave Junction, Oregon, a check, number 4558, dated 4/27/98 in the amount of $319, of

which $177 was payment of the deposit premium, for property insurance to be provided by Sutter Insurance Company (Sutter) covering a stick-built home located at 120 Kenrose, Cave Junction, OR. On 7/27/98, three months later, Trujillo contacted Zimmerman about the status of her insurance and as a result Zimmerman learned that she had not sent the application and premium to Ron Rothert Insurance Services (RRIS), a managing general agent, on behalf of Sutter. On the same date, Zimmerman sent to RRIS the application and an agency check, number 3162, dated 7/27/98 in the amount of $177.

On 7/27/98, Zimmerman, as an agent affiliated with AAJC, received from Trujillo another application, and a check in the amount of $142, of which $71 was payment of the deposit premium, for property insurance to be provided by GuideOne Specialty Mutual Insurance Company (GuideOne) covering a mobile home located at 543 Fernwood, Cave Junction, OR. On or about 7/29/98, Zimmerman mailed to GuideOne the application and an agency check, number 3171, dated 7/29/98, made payable to "Guidant Ins" in the amount of $71. Subsequently, GuideOne issued a policy, number 3963934. Subsequently, GuideOne canceled the policy because of "unacceptable stove location" and as a result issued a check, number 409486, dated 9/14/98, in the amount of $46.75 as payment of the unearned premium for the policy. GuideOne sent the refund check to AAJC. On or about 8/18/99, almost a year later, AAJC deposited the refund check into its insurance premium trust account. In the meantime, after Trujillo repaired the chimney, Trujillo requested Zimmerman resubmit an application to GuideOne. Zimmerman did not resubmit an application to GuideOne. On 8/11/99, when Trujillo complained to the Insurance Division, Zimmerman mailed to Trujillo an agency check, number 2874, dated 8/11/99, made payable to Trujillo in the amount of $192, of which $71 was to refund the deposit premium.

On 9/14/98, Zimmerman, as an agent affiliated with AAJC, received from Trujillo another application, and a check number 4797, dated 9/14/98, in the amount of $121 as payment of the deposit premium, for property insurance to be provided by GuideOne covering a mobile home located at 126 Kenrose, Cave

Junction, OR. Zimmerman did not send the proceeds of the check to or on behalf of the insurer. On 8/11/99, when Trujillo complained to the Insurance Division, Zimmerman mailed to Trujillo an agency check, number 2874, dated 8/11/99, made payable to Trujillo in the amount of $192, of which $121 was to refund the deposit premium.

Failure to Deposit Premium into Trust Account

On 8/6/97, Zimmerman, as an agent affiliated with AAJC, received from Jay D. DeHaven (DeHaven), on behalf of Frances Tkach (Tkach) of O'Brien, Oregon, an application, and a check, number 8743, dated 8/6/97 and made payable to AAJC in the amount of $191 as payment of the initial premium, for property insurance to be provided by GuideOne covering a mobile home located at 33354 Redwood Highway, O'Brien, OR. Zimmerman did not endorse and send the check to the insurer, or deposit the check into AAJC's insurance premium trust account. Instead, Zimmerman placed the application and check in a file. On 1/12/98, DeHaven reported to Zimmerman that a vandalism and theft loss had occurred to the property on 12/31/97. As a result, Zimmerman discovered the application and check in the file. On 1/28/98, AAJC returned the check to DeHaven on behalf of Tkach.

Ultimate Facts and Conclusions

Zimmerman violated ORS 744.013(2)(d) in three instances by illegally withholding money that she received from an applicant relative to an insurance transaction.

Zimmerman violated ORS 744.225(1) in one instance by failing to deposit insurance premiums into an insurance premium trust account.

Action

The Oregon insurance agent license issued to Zimmerman shall be revoked on the date of this order pursuant to ORS 744.013(1)(a). Zimmerman shall not transact insurance in Oregon, including servicing clients, on and after that date.

In consideration of the Director not assessing Zimmerman a civil penalty of $4,000 pursuant to ORS 731.988, Zimmerman agrees not to apply to the Director for any license as an insurance agent, consultant or adjuster to be issued to either

herself or to any business organization owned or operated by her. Zimmerman also agrees not to own any equity interest in, or be an officer, director or employee of, any business organization licensed as an insurance agent, consultant or adjuster in Oregon.

Dated February 13, 2001. /s/ Cecile G. Zimmerman
Cecile G. Zimmerman

FINAL ORDER

The Director adopts, and incorporates herein by this reference, the Facts, Ultimate Facts, Conclusions and Action in the above Stipulation as the Findings of Fact, Ultimate Findings of Fact, Conclusions of Law and Order, respectively, of this Final Order.

Dated February 22, 2001. /s/ Mary C. Neidig
Mary C. Neidig
Director
Department of Consumer and Business Services

CERTIFICATE OF SERVICE

I certify that I served the above Stipulation and Final Order by mailing a copy thereof in a sealed envelope, with postage prepaid, to the party named therein on the date below.

Dated February 22, 2001. /s/ Mitchel D. Curzon
Mitchel D. Curzon
Administrative Law Specialist
Insurance Division

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