

ABIC authorized OMH to quote and collect premiums; and solicit, complete, and accept applications; and in the case of credit life insurance also issue and deliver policies, for “home buyers protection,” “mobilowners,” and credit life insurance to be provided by ABIC. ABIC provided to OMH computer programs and data to calculate premium quotes, complete and print applications for “home buyers protection” and “mobilowners” insurance, and print schedules and certificates for credit life insurance. However, OMH was not licensed in Oregon as a firm or corporate insurance agent from 8/1/97 to 10/3/99. Nevertheless, during this later period, OMH solicited, completed, and accepted from at least 550 persons residing in Oregon applications and premiums for “home buyers protection,” “mobilowners,” and credit life insurance to be provided by ABIC, sent the applications and premiums to ABIC. ABIC issued, or authorized OMH to issue, the insurance policies applied for. ABIC paid OMH \$34,770.60 as commissions for selling the insurance policies.

Failing to Enter into Written Contracts with Appointed Agents

ABIC violated ORS 744.127(1) (1999) in seven instances by notifying the Insurance Division from on or about 2/12/98 to 1/26/01 that ABIC had appointed seven employees of OHM to transact insurance on behalf of ABIC in Oregon. However, ABIC did not enter into a written contract with the employees as required by ORS 744.127(1) (1999). The name of the employees were Thomas Dale, Wayne Hungate, Harry Kuhn, Robert Donovan, Brent Musselman, Steven Arbuckle, Kenneth Outlaw.

Failing to Notify Director of Appointment of Agent

ABIC violated ORS 744.155(1) (1999) in two instances by engaging the following conduct. Since 4/10/72, ABIC has continuously authorized OMH to transact insurance in Oregon on behalf of ABIC.

On 7/31/97, OMH’s license in Oregon expired, and ABIC’s appointment of OMH terminated pursuant to ORS 744.155(4) (1999). On 10/4/99, OMH’s license in Oregon was renewed. On 5/11/00, 220 days after OMH’s license was renewed, ABIC notified the Insurance Division that ABIC had continued to appoint OMH.

On 7/31/01, OMH's license in Oregon expired again, and ABIC's appointment of OMH terminated pursuant to ORS 744.155(4) (1999). On 10/16/01, OMH's license in Oregon was renewed. On 2/8/02, 115 days after OMH's license was renewed, ABIC notified the Insurance Division that ABIC had continued to appoint OMH.

Action

Pursuant to ORS 731.988, ABIC shall pay a civil penalty of \$30,000.00. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883. The payment shall be received by the Insurance Division by the date of the Final Order.

Dated August 5, 2002

/s/ Russell G. Kirsch
[Signature of Representative]

Russell G. Kirsch
[Printed Name of Representative]

Senior Vice President, Regulatory Administration
[Printed Title of Representative]

American Bankers Insurance Company of
Florida

FINAL ORDER

The director adopts and incorporates herein by this reference the above Stipulation as the director's final decision in this proceeding.

Dated August 22, 2002

/s/ Mary C. Neidig
Mary C. Neidig
Director
Department of Consumer and Business Services

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