STATE OF OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES INSURANCE DIVISION

In the Matter of Oregon Commercial Insurance)	STIPULATION and
Agency.)	FINAL ORDER
)	File No. 2371 IV
)	Case No. INS 02-01-031

STIPULATION

The Director of the Department of Consumer and Business Services (director), by and through the Insurance Division, commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take disciplinary action against Oregon Commercial Insurance Agency (OCIA).

OCIA enters into this Stipulation to conclude this proceeding without further administrative or judicial proceedings, as provided by ORS 183.415(5) and related rules. Each of the two persons signing this Stipulation on behalf of OCIA represents that she is so authorized by OCIA.

OCIA waives the right to receive a notice of proposed action, to receive a notice of rights and procedures in contested cases, to have a hearing, to be represented by an attorney at the hearing, and to judicial review of the Final Order. OCIA admits and agrees to the following facts, conclusions, and action.

Facts and Conclusions

Licensing

OCIA has been licensed in Oregon as a resident firm or corporate agent since 10/23/95. OCIA's license number is 807910. From 10/5/95 to 3/02, OCIA was a partnership of Alexa A. Clason (Clason), Dianne M. Strong (Strong), and Joan H. S. Wilson (Wilson). In 2/8/02, Wilson withdrew from the partnership; leaving Clason and Strong as the only partners of OCIA. OCIA's last recorded business street address is 7591 Crater Lake Highway, Suite C, White City, OR 97503-1618, and telephone number is 541-826-5363.

Authorizing an Unlicensed Person to Transact Insurance

OCIA violated ORS 744.054 (1999) by permitting Wilson to engage in the following conduct. At all relevant times, Wilson was one of three partners of OCIA and had the same authority as the other partners to manage OCIA. Wilson was licensed in Oregon as a resident individual insurance agent from 11/2/90 to 11/30/93, from 2/9/94 to 11/30/95 and from 2/21/96 to 11/30/99. When licensed, Wilson was also an insurance agent affiliated with OCIA pursuant to ORS 744.031(1) (1999). On 11/30/99, Wilson's license expired because she did not renew it. In 12/99, 3/00 and/or 5/00, Wilson communicated with the Insurance Division about what she needed to do to renew her license. In 1/00, Wilson talked to Strong about Wilson needing to renew her Oregon insurance agent license. Wilson never renewed her license. Nevertheless, from 2/9/00 to 3/17/00, Wilson, on behalf of OCIA, solicited, completed and received from seven persons residing in Oregon seven applications for insurance. On 2/22/01, Wilson also issued an insurance binder to Bruce Schulz. The application date, applicant, policy number, and insurer relative to each transaction is as follows:

Date	Applicant	Insurer	Policy Number
2/9/00	Gene Sinks	Progressive Northwestern Ins. Co.	65716436-0
2/16/00	Joseph Smith	Northland Ins. Co.	TN265659
2/17/00	Bruce Schulz	Progressive Northwestern Ins. Co.	04474925-0
2/22/00	Kirk Pelzholdt	Northland Ins. Co.	TN285859
2/24/00	Erwin Martin	Clarendon National Ins. Co.	63D0914382
2/25/00	Stephen Grace	Clarendon National Ins. Co.	63D0914386
3/17/00	Russell Peterson	Clarendon National Ins. Co.	63D0914637

Action

OCIA shall pay a civil penalty of \$7,000 pursuant to ORS 731.988. Payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. Payment shall be delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883. Payment shall be received by the Insurance Division by May 1, 2002.

If payment is not received by the Insurance Division by the above due date, then the director may take other authorized action against OCIA, including revoking or suspending OCIA's Oregon insurance agent license.

OCIA shall not authorize or permit Wilson, or any other person employed by or affiliated with OCIA, to transact insurance when such person is not licensed in Oregon as an insurance agent at the time of the transaction.

Dated March 21, 2002 /s/ Alexa A. Clason

Alexa A. Clason

Partner

/s/ Dianne M. Strong Dianne M. Strong

Partner

Oregon Commercial Insurance Agency

FINAL ORDER

The director makes the following final decision in this proceeding in accordance with ORS 731.248 and 183.415(5) and related rules.

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 order.

Dated March 27, 2002 /s/ Mary C. Neidig

Mary C. Neidig

Director

Department of Consumer and Business Services

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