

applications or premium for insurance belonging to an insurer, agent or other person entitled to the application or premium. From 2/9/00 to 9/10/01, CGN received from Robert L. Dorszynski (Dorszynski) of Salem, Oregon, four overpayments of the premiums for four bonds issued to Dorszynski by either Travelers Casualty and Surety Company of America (Travelers) or United Pacific Insurance Company (United). Dorszynski did not know that the amount paid exceeded the amount due. CGN deposited the overpayments into its insurance premium trust account. CGN credited the overpayments to a general account that CGN set up for all bonds issued to Dorszynski. However, CGN was not authorized by Dorszynski to credit the overpayments to a general account. On 7/3/02, Dorszynski complained to the Insurance Division. On 3/25/03, after the insurance Division intervened, CGN refunded the overpayments to Dorszynski. The name of the insured, the bond number, the insurer, the amount overpaid, the date CGN received the overpayment, the date CGN refunded the overpayment, and the number of days between the date CGN received the overpayment and date CGN offered to refund the overpayment in each instance is as follows:

Name of Insured	Bond Number	Name of Insurer	Amount Premium	Date Received	Date Refund Paid	Days Intervening
Dorszynski	103501960	Travelers	\$ 216.00	2/9/00	3/25/03	1140
Dorszynski	103556728	Travelers	\$ 46.00	5/00	3/25/03	@1028
Dorszynski	U1465096	United	\$ 465.00	8/8/00	3/25/03	959
Dorszynski	103375691	Travelers	\$ 374.00	9/10/01	3/25/03	561
		Total	\$1,101.00			

Failed to Timely Pay Unearned Premium

CGN violated OAR 836-074-0025 in 24 instances by engaging in the following conduct. OAR 836-074-0025 requires a person that is licensed in Oregon as an insurance agent and receives from an insurer an unearned premium to pay the unearned premium to the insured within 30 days of receiving it. From 1/24/97 to 8/14/02, CGN received from various insurers, in the form of a credit, the unearned premiums for 24 cancelled bonds. The insurers were either Merchants Bonding company (Merchants), Travelers Casualty and Surety Company of America

(Travelers), or United Pacific Insurance Company (United). CGN credited the refunds to a general account that CGN set up for all bonds issued to Dorszynski. However, CGN was not authorized by Dorszynski to credit the refunds to a general account. On 7/3/02, Dorszynski complained to the Insurance Division. On 3/25/03, after the insurance Division intervened, CGN refunded the overpayments to Dorszynski. The name of the insured, the bond number, the insurer, the amount refunded, the date CGN received the credit for the unearned premium from the insurer, the date CGN refunded the premium to the insured, and the number of days between the date CGN received the credit from the insurer and date CGN refunded the premium to the insured in each instance is as follows:

Name of Insured	Bond Number	Name of Insurer	Amount Premium	Date Received	Date Refund Paid	Days Intervening
Dorszynski	U1465086	United	\$345.00	1/24/97	3/28/97	63
Dorszynski	U1465218	United	\$460.00	5/27/98	3/25/03	1763
Dorszynski	U1465211	United	\$118.00	12/9/98	3/25/03	1567
Dorszynski	U1465212	United	\$72.00	1/8/99	3/25/03	1537
Dorszynski	U6173160	United	\$439.00	1/19/99	3/25/03	1526
Dorszynski	U1465209	United	\$428.00	3/2/99	3/25/03	1484
Dorszynski	U1465206	United	\$136.00	4/29/99	3/25/03	1426
Dorszynski	U2565307	United	\$128.00	5/28/99	3/25/03	1397
Dorszynski	U2565322	United	\$620.00	8/26/99	3/25/03	1307
Cook	OR7274	Merchants	\$137.00	11/14/99	3/25/03	1227
Dorszynski	U1465096	United	\$363.00	10/31/00	3/25/03	875
Dorszynski	U2565357	United	\$651.00	11/1/00	3/25/03	874
Dorszynski	103481805	Travelers	\$260.00	2/23/01	3/25/03	760
Dorszynski	103347169	Travelers	\$129.00	5/14/01	3/25/03	680
Dorszynski	103347178	Travelers	\$45.00	5/18/01	3/25/03	676
Dorszynski	103518324	United	\$352.00	5/20/01	3/25/03	674
Dorszynski	OR6420	Merchants	\$89.00	6/14/01	3/25/03	649
Dorszynski	OR6201	Merchants	\$340.00	10/11/01	3/25/03	530
Dorszynski	103373312	Travelers	\$252.00	11/8/01	3/25/03	502
Lintner	103562068	United	\$229.00	1/08/02	3/25/03	441
Dorszynski	103501960	United	\$244.00	3/11/02	3/25/03	379
Dorszynski	103600901	United	\$178.00	5/27/02	3/25/03	302
Dorszynski	OR6416	Merchants	\$471.00	8/14/02	3/25/03	223
Dorszynski	OR6426	Merchants	<u>\$452.00</u>	8/14/02	3/25/03	223
		Total	\$6,938.00			

Failed to Timely Respond to Director's Inquiry

CGN violated ORS 731.296 in one instance by engaging in the following conduct. On 4/1/03, the Insurance Division mailed by US mail a letter to CGN at its last recorded business address of 700 NE Multnomah Street Suite 1300, Portland, OR, 97232-4113. The letter requested CGN to provide certain information to the Insurance Division by 4/18/03. On 4/18/03, the Insurance Division received by mail from CGN a letter dated 4/17/03. However the letter did not state when CGN received the overpayment for bond number U1465096, referred to above, and what CGN did with the overpayment between the date it received it and the date it refunded it. On 4/24/03, the Insurance Division received by fax from CGN a letter dated 4/24/03 providing the information requested. Although CGN provided most of the requested information by the due date, it did not provide the balance of the requested information until six days after the due date.

Action

Pursuant to ORS 731.988, CGN is assessed a civil penalty of \$5,250. 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 to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883, or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division by the date of the Final Order.

Dated December 23, 2004

/s/ Bradley W. Wilson
[Signature of Representative]

Bradley W. Wilson
[Printed Name of Representative]

Chief Executive Officer
[Printed Title of Representative]

Campbell, Galt & Newlands, Inc.

FINAL ORDER

The director incorporates herein the above Stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated February 5, 2004

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services