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2
3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. INS-17-0075

7 PATRICK MCKENZIE and
8 MCKENZIE INSURANCE,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER REVOKING LICENSE
AND CONSENT TO ENTRY OF
ORDER

9
10 The Director of the Department of Consumer and Business Services for the State
11 of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”)
12 chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750
13 (“Insurance Code”), has conducted an investigation into Patrick McKenzie (“McKenzie”)
14 and McKenzie Insurance (collectively “Respondent”).

15 Respondent wishes to resolve and settle this matter with the Director.

16 Now, therefore, as evidenced by the signature(s) subscribed on this Order,
17 Respondent hereby CONSENTS to entry of this Order.

18 FINDINGS OF FACT

19 The Director FINDS that:

20 1. McKenzie has had an Oregon resident insurance producer license since
21 February 24, 2012.¹ McKenzie’s national producer number is 3440783.

22 2. McKenzie Insurance has had an Oregon resident insurance producer license
23 since May 30, 2014. McKenzie Insurance’s national producer number is 17259066.

24 3. Respondent was appointed to Farmers Insurance until his termination on July
25 7, 2016.

26 ¹ McKenzie, originally, obtained his license in 2000 and failed to renew in 2006.

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





1 4. On or about July 11, 2016, Farmers Insurance notified the Division of
2 Financial Regulation (“Division”) that Respondent was terminated for willful
3 misrepresentation.

4 5. On August 19, 2015, Respondent wrote a homeowners insurance policy for
5 L.H. with an effective date of September 15, 2015. The dwelling coverage amount on the
6 policy was quoted and written at \$417,000.

7 6. L.H. had requested coverage for a dwelling value of \$622,000 to replace her
8 current coverage.

9 7. On or about September 11, 2015, Respondent modified the homeowners
10 insurance declaration page by making the following changes to the document and faxing
11 it to the insured.

12 A. Respondent changed the dwelling coverage limits from \$417,000 to \$622,000.

13 B. The title of the document was changed from “Next Generation Home Owners
14 Declaration” to “Home Insurance.”

15 C. Lines from the Premium/Fees section of the document had been deleted.

16 D. The description of the property was missing.

17 E. The lower half of the document was crooked and did not line up with the left
18 hand side of the document.

19 8. Respondent stated that he sent the insurer an altered declaration page in order
20 to illustrate that the combined coverage amounts of the dwelling and contents on her
21 policy equaled or exceeded the insurer’s previous policy.

22 9. Respondent stated that he intentionally made the lower half document crooked
23 so it would not look like a legitimate document.

24 CONCLUSIONS OF LAW

25 The Director CONCLUDES that:

26 10. Under ORS 744.074(1)(e), the Director may revoke an insurance producer

1 license for intentionally misrepresenting the terms of an actual or proposed insurance
2 contract or application for insurance. Respondent violated ORS 744.074(1)(e) by
3 modifying the homeowners insurance declaration page provided to the insured.

4 11. Under ORS 744.074(1)(h), the Director may revoke an insurance producer
5 license for using fraudulent, coercive or dishonest practices, or demonstrating
6 incompetence, untrustworthiness or financial irresponsibility in the conduct of business in
7 this state or elsewhere. Respondent violated ORS 744.074(1)(h) by modifying the
8 homeowners insurance declaration page provided to the insured.

9 ORDERS

10 Now therefore, the Director issues the following Orders:

11 12. As authorized by ORS 731.252(1), the Director ORDERS Respondent to
12 CEASE AND DESIST from violating any provision of the Insurance Code or the
13 administrative rules promulgated thereunder.

14 13. Based upon the foregoing and in accordance with ORS 744.074(e) and (h), the
15 Director ORDERS a REVOCATION of Respondent's Oregon resident insurance
16 producer license.

17 14. Respondent agrees to a permanent bar from reapplying as an insurance
18 producer in Oregon.

19
20 SO ORDERED this 6th day of July, 2017.

21 PATRICK M. ALLEN, Director
22 Department of Consumer and Business Services

23
24 /s/ David Tatman
25 David C. Tatman, Chief of Enforcement
26 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, PATRICK MCKENZIE, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that 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 rights to administrative or judicial review of this Order; that 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 of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

 /s/ Patrick McKenzie

Signature

State of Oregon

County of Marion

Signed or attested before me on this 26th day of June , 2017

by PATRICK MCKENZIE.

 /s/ Wendy Cotton

Notary Public

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ENTITY CONSENT TO ENTRY OF ORDER

I, PATRICK MCKENZIE, am an officer of McKenzie Insurance, and I am authorized to act on its behalf. I have read the foregoing Order and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. McKenzie Insurance voluntarily consents 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 rights to administrative or judicial review of this order. McKenzie Insurance understands that the Director reserves the right to take further action against it to enforce this order or to take appropriate action upon discovery that McKenzie Insurance has committed other violations of the Oregon Insurance Code. McKenzie Insurance, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

McKenzie Insurance understands that this Order is a public document.

Signature: /s/ Patrick McKenzie

Position Held: President

State of Oregon

County of Marion

Signed or attested before me on this 26th day of June , 2017

by PATRICK MCKENZIE.

 /s/ Wendy Cotton

Notary Public

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