

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-16-0303

NATIONAL BROKERS OF AMERICA and
ALAN C. REDMOND,

Respondents.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
REVOKING LICENSES AND
IMPOSING CIVIL PENALTIES,
ENTERED BY DEFAULT

On June 1, 2017, the Director of the Department of Consumer and Business Services (“Director”), by and through the Division of Financial Regulation (“Division”), properly served notice (“Notice”) on National Brokers of America, Inc. and Alan C. Redmond (collectively “Respondents”) that the Director intended to issue an order revoking Respondents’ nonresident insurance producer licenses and imposing civil penalties.

The Notice offered Respondents an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further informed Respondents that if a hearing was not conducted because Respondents did not timely request a hearing or otherwise defaulted, then the designated portion of the Division’s file and all materials submitted by Respondents in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

The Director did not receive from Respondents a request for a hearing and did not conduct a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

Now, therefore, after considering the relevant portions of the Division’s file relating to this matter, the Director finds and orders as follows.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. National Brokers of America, Inc. (“NBOA”) has been licensed as an Oregon
4 nonresident insurance producer since July 6, 2016. NBOA’s NAIC national producer
5 number is 100289722. NBOA is an Ohio corporation with its principal place of business
6 at 630 Fairmount Avenue NE, Warren, Ohio 44483.

7 2. Alan C. Redmond (“Redmond”) has been licensed as an Oregon nonresident
8 insurance producer since June 15, 2016. Redmond’s NAIC national producer number is
9 9210093.

10 3. Redmond is the Designated Responsible Licensed Producer (“DRLP”) for
11 NBOA.

12 4. Heath Plan Intermediaries Holdings, LLC (“HPIH”) has been licensed as an
13 Oregon nonresident insurance producer since July 18, 2012. HPIH’s NAIC national
14 producer number is 16714695. HPIH is a Delaware corporation with its principal place
15 of business at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

16 5. Respondents were permitted to sell HPIH’s products under the terms of a
17 Master Commission Advance Agreement and Managing General Agent Agreement
18 (collectively “Agreements”). HPIH terminated the Agreements on July 1, 2016.

19 6. On August 18, 2016, HPIH notified the Division of Financial Regulation
20 (“Division”) that Respondents sold, solicited or negotiated insurance business in Oregon
21 on 1,014 different occasions between January 1, 2014 and May 31, 2016.

22 7. On April 6, 2017, the Division sent an email to Respondents requesting
23 additional information about Respondents’ insurance related activities in Oregon. The
24 Division requested a response on or before April 13, 2017. As of the time of the Notice,
25 Respondents had failed to respond.

26 8. On June 1, 2017, the Division properly served notice on Respondents that the

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1 Director intended to revoke Respondents' nonresident insurance producer licenses and
2 impose civil penalties. Respondents had 20 days to timely request a hearing. The
3 Division did not receive a request for hearing from Respondents.

4 5 CONCLUSIONS OF LAW

6 The Director CONCLUDES that:

7 9. Pursuant to ORS 744.059(2)(b), a business entity is required to designate a
8 licensed insurance producer responsible for the business entity's compliance with the
9 Insurance Code.

10 10. As the DRLP for NBOA, Redmond is responsible for NBOA's compliance
11 with the Insurance Code.

12 11. Pursuant to 731.252(1), whenever the Director has reason to believe that any
13 person has been engaged or is engaging or is about to engage in any violation of the
14 Insurance Code, the Director may issue an order to discontinue or desist from such
15 violation or threatened violation.

16 12. Pursuant to ORS 744.053, a person may not sell, solicit or negotiate insurance
17 in this state for any class or classes of insurance unless the person is licensed as an
18 insurance producer for that class or those classes in accordance with ORS 744.052 to
19 744.089.

20 13. Respondents violated ORS 744.053 on 1,014 occasions as described in
21 Paragraph 6 above.

22 14. Pursuant to ORS 731.296, the Director may address any proper inquiries to
23 any insurer, licensee or its officers in relation to its activities or condition or any other
24 matter connected with its transactions. Any such person so addressed shall promptly and
25 truthfully reply to such inquiries using the form of communication requested by the
26 Director.



1 15. Respondents violated ORS 731.296 as described in Paragraph 7 above.

2 16. Pursuant to ORS 744.074(1)(b), the Director may revoke an insurance
3 producer license and may take other actions authorized by the Insurance Code in lieu
4 thereof or in addition thereto, for violating any insurance laws, or violating any rule,
5 subpoena or order of the director or of the insurance commissioner of another state or
6 Mexico or Canada.

7 17. Pursuant to ORS 731.988(1) the Director may impose a civil penalty of up to
8 \$10,000 per violation upon any person that violates any provision of the Insurance Code
9 or any lawful rule or final order of the Director.

10
11 **ORDERS**

12 Now, therefore, the Director issues the following Orders:

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

16 19. Based upon the foregoing and as authorized by ORS 744.074(1)(b), the
17 Director hereby REVOKES NBOA’s nonresident insurance producer license for
18 violating ORS 744.053 and ORS 731.296.

19 20. Based upon the foregoing and as authorized by ORS 744.074(1)(b), the
20 Director hereby REVOKES Redmond’s nonresident insurance producer license for
21 violating ORS 744.053 and ORS 731.296.

22 21. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
23 hereby ORDERS that NBOA pay a CIVIL PENALTY of \$100 per occurrence for 1,014
24 violations of ORS 744.053 for a total CIVIL PENALTY of \$101,400.

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