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

In the Matter of:	Case No. INS-17-0126
PATRICIA A. HOLM, Respondent.	ORDER TO CEASE AND DESIST, FINAL ORDER TO REVOKE LICENSE, FINAL ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("Insurance Code"), has conducted an investigation into the activities of Patricia A. Holm ("Respondent") and determined that Respondent engaged in violations of the Insurance Code.

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon resident insurance producer license ("License") since August 8, 2005. Respondent's national producer number is 8518401.

2. At all relevant times, Respondent held a cancer indemnity insurance policy ("Policy") with American Family Life Assurance Company of Columbus ("AFLAC").[1]

3. Between January 23, 2015 and January 20, 2016, Respondent filed thirteen

[1] Respondent was employed with AFLAC through January 12, 2017.

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claims under the Policy for services that were never provided. AFLAC paid Respondent a total of $800 pursuant to these claims, which are described as follows:

(1) On January 23, 2015, Respondent submitted a claim alleging that, on January 5, 2015, a family member covered under the Policy received an HPV vaccine. Respondent benefitted $40 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(2) On January 23, 2015, Respondent submitted a claim alleging that, on January 8, 2015, a family member covered under the Policy received an HPV vaccine. Respondent benefitted $40 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(3) On January 23, 2015, Respondent submitted a claim alleging that, on January 12, 2015, a family member covered under the Policy received an HPV vaccine. Respondent benefitted $40 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(4) On January 23, 2015, Respondent submitted a claim alleging that, on January 21, 2015, a family member covered under the Policy received a chest X-ray. Respondent benefitted $75 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(5) On January 20, 2016, Respondent submitted a claim alleging that, on January 4, 2016, a family member covered under the Policy received a chest X-ray. Respondent benefitted $75 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(6) On January 20, 2016, Respondent submitted a claim alleging that, on January 11, 2016, a family member covered under the Policy received a pap smear. Respondent benefitted $75 from this claim. The physician alleged to have provided this service could not be located to confirm whether it occurred, as

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Respondent provided an invalid address for the physician.[2]

(7) On January 20, 2016, Respondent submitted a claim alleging that, on January 14, 2016, she received a pap smear. Respondent benefitted $75 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(8) On January 20, 2016, Respondent submitted a claim alleging that, on January 18, 2016, a family member covered under the Policy received a chest X-ray. Respondent benefitted $75 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(9) On January 20, 2016, Respondent submitted a claim alleging that, on January 18, 2016, a family member covered under the Policy received a chest X-ray. Respondent benefitted $75 from this claim. The physician alleged to have provided this service confirmed that it did not occur.[3]

(10) On January 20, 2016, Respondent submitted a claim alleging that, on January 18, 2016, a family member covered under the Policy received an HPV vaccine. Respondent benefitted $40 from this claim. The physician alleged to have provided this service confirmed that it did not occur.

(11) On January 20, 2016, Respondent submitted a claim alleging that, on January 18, 2016, a family member covered under the Policy received an HPV vaccine. Respondent benefitted $40 from this claim. The physician alleged to have provided this service confirmed that it did not occur.[4]

(12) On January 20, 2016, Respondent submitted a claim alleging that, on January 19, 2016, a family member covered under the Policy received a pap smear. Respondent benefitted $75 from this claim. The physician alleged to have

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[2] Respondent never provided a valid address to support this claim.
[3] This claim was made on behalf of a different family member than the one referenced in paragraph 3(8).
[4] This claim was made on behalf of a different family member than the one referenced in paragraph 3(10).

provided this service confirmed that it did not occur.

(13) January 20, 2016, Respondent submitted a claim alleging that, on January 20, 2016, a family member covered under the Policy received a chest X-ray. Respondent benefitted $75 from this claim. The physician alleged to have provided this service could not be located to confirm whether it occurred, as Respondent provided an invalid address for the physician.[5]

CONCLUSIONS OF LAW

The Director CONCLUDES that:

4. Each of the thirteen claims submitted by Respondent under the Policy for services which were never provided, and for which she received financial benefit, constitutes fraud related to insurance.

5. Under ORS 744.074(1)(g), the Director may revoke an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, if a licensee admits or is found to have committed any unfair trade practice or fraud related to insurance.

6. Under ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order, directed to such person, to discontinue or desist from such violation or threatened violation.

7. Under ORS 731.988(1) the Director may impose a civil penalty of up to $1,000 per violation upon any individual who violates a provision of the Insurance Code.

8. By committing fraud relating to insurance, Respondent violated ORS 744.074(1)(g) in thirteen instances.

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[5] Respondent never provided a valid address to support this claim.

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ORDERS

Now therefore, the Director issues the following Orders:

9. Based upon the foregoing and as authorized by ORS 731.252(1), the Director ORDERS Respondent to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

10. Based upon the foregoing and as authorized by ORS 731.744(1)(g), the Director ORDERS that Respondent's Oregon resident insurance producer license be revoked.

11. Based upon the foregoing and as authorized by ORS 731.988(1), the Director ORDERS that Respondent be subject to a CIVIL PENALTY of $3,250 for committing fraud relating to insurance in thirteen instances ($250 per violation), in violation of ORS 731.744(1)(g).

12. The Director hereby suspends payment of the full civil penalty, $3,250, for a period of three years, provided Respondent:

(1) Pays RESTITUTION to AFLAC in the amount of $800, and provides the Division of Financial Regulation ("Division") with credible documentation of such payment, at the time this Order is returned to the Division; and

(2) Does not violate the Insurance Code within the three-year time period.

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13. The suspended civil penalty will be waived three years from the date this Order is finalized, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

SO ORDERED this 8th day of March, 2018.

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CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ David C. Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Patricia A. Holm, 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/ Patricia A. Holm
Signature

State of Oregon

County of Washington

Signed or attested before me on this 17th day of November, 2017 by Patricia A. Holm.

/s/ Lisa Marie Porpora
Notary Public

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