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

In the Matter of:	Case No. INS-18-0011
Verena North, Licensee.	FINAL ORDER TO CEASE AND DESIST AND FINAL ORDER REVOKING LICENSE ENTERED BY DEFAULT

On March 28, 2018, the Director of the Department of Consumer and Business Services ("Director"), by and through the Division of Financial Regulation ("Division"), properly served notice on Verna North ("Licensee") that the Director intended to revoke Licensee's resident insurance producer license.

The Notice offered the Licensee an opportunity for a hearing if requested within 30 days. The Notice further informed the Licensee that if a hearing was not conducted because the Licensee did not timely request a hearing or otherwise defaulted, then the designated portion of the Director's file and all materials submitted by the Licensee 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 a hearing request from the Licensee and did not conduct a hearing.

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

The Director makes the following Findings of Fact, Conclusions of Law, Orders, and Notice of Right to Judicial Appeal.

FINDINGS OF FACT

The Director FINDS that:

1. Verena North has been an Oregon resident insurance producer licensee since approximately July 25, 2005. The Licensee's National Association of Insurance

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Commissioners (NAIC) producer number is 8514962. Her license is set to expire on June 30, 2018.

2. On or about March 27, 2017, the Division of Financial Regulation (DFR) received notice from the Licensee's employer, Aflac, that the Licensee had been terminated for cause for bogus business, forgery and misconduct. DFR launched an investigation.

3. The investigation revealed that Aflac had received an anonymous call regarding personal policies issued by North to herself under UD728, Precoa LLC.

4. The anonymous caller revealed that the caller had personal knowledge that the Licensee was not employed by UD728, Percoa LLC. During Aflac's investigation, three additional policies were located that were issued on the same group that appeared fraudulent.

5. Aflac discovered that the dubious policies written under the group were not associated with actual employees. One policy was written to "Serena Pips" (Pips) but Aflac could not find any information on someone by that name. The address of record for Pips was not good and the listed phone number was invalid.

6. Aflac reported that the policy for Vereena North contained the same address and date of birth as that of Verena North. The only difference between the information for Vereena North and Verena North was the extra "e" in Vereena.

7. Aflac reported that neither Pips nor Vereena North worked for Precoa LLC.

8. During a recorded interview with an Aflac investigator, the Licensee admitted signing and filing the following false documents:

a. On October 3, 2016, the Licensee submitted a false Aflac Cancer Indemnity insurance application for Serena Pips.

b. On October 3, 2016, the Licensee submitted a false Aflac Hospital Confinement Indemnity insurance application for Serena Pips.

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c. On October 3, 2016, the Licensee submitted a false Aflac Short-Term disability insurance application for Serena Pips.

d. On October 17, 2016, the Licensee submitted a false Aflac Individual Accident-Only insurance application for Vereena North.

e. On October 17, 2017 the Licensee submitted a false Aflac Cancer Indemnity insurance application for Vereena North.

f. On October 17, 2017 the Licensee submitted a false Aflac Hospital Confinement Indemnity insurance application for Vereena North.

g. On October 17, 2017 the Licensee submitted a false Lump Sum Critical Illness Rider for Vereena North.

h. On October 17, 2017 the Licensee submitted a false Hospital Confinement Statement of Understanding and Agreement for Vereena North.

9. The Licensee inferred to the Aflac investigator that neither Serena Pips nor Vereena North were actual persons and that neither Pips nor Vereena North worked for Precoa LLC. The Aflac investigator could not find any information to confirm that Pips or North were actual person or that they worked for Precoa LLC.

10. The Licensee admitted that she wrote the false applications in order to earn commissions because her husband was using drugs and was incarcerated. The Licensee earned $760.08 in commissions for filing the false applications on behalf of Serena Pips. The Licensee earned $743.27 in commissions for filing false applications for Vereena North.

11. The Licensee took full responsibility for her actions and told the Aflac investigator that the policies should never have been written.

12. After obtaining the investigation information from Aflac, DFR reached out to the Licensee to schedule an interview in order to obtain her side of the story. The Licensee did not respond to DFR's request for an interview.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. 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 to discontinue or desist from such violation or threatened violation.

13. By submitting multiple false documents to Aflac stating that Serena Pips and Vereena North existed and worked for Precoa LLC, the Licensee violated ORS 744.074(1)(e).

14. By submitting multiple false documents to Aflac that were fraudulent, coercive or dishonest practices or that demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of her business, the Licensee violated ORS. 744.074(1)(h).

15. By submitting multiple false documents to Aflac that were fraudulent, in that the Licensee forged another's name to an insurance application or to any document related to an insurance application, the Licensee violated ORS. 744.074(1)(k).

16. By making false statements in order to obtain financial gain, the Licensee violated ORS 746.100.

ORDERS

Now therefore, the Director issues the following Orders:

1. As authorized by ORS 731.252(1), the Director orders Licensee to cease and desist from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

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2. The Director, pursuant to ORS 744.074(1), hereby revokes Licensee's resident insurance producer license.

SO ORDERED this 24th day of May, 2018.

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

/S/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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