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

In the Matter of: SCOTT SANTANA and SIA, INC., Respondents.	Case No. INS-18-0059 ORDER TO CEASE AND DESIST, FINAL ORDER IMPOSING CIVIL PENALTY AND CONSENT TO ENTRY OF ORDER THIS IS A FINAL 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 insurance related activities of Scott Santana and SIA, INC. (collectively "Respondents").

Respondents submit to the Director's jurisdiction and agree to waive their rights to notice and an administrative hearing that arise under ORS 183.415 and wish to resolve this matter by consenting to entry of this Final Order.

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Scott Santana ("Santana") has been licensed as an Oregon resident insurance producer since August 7, 2001. Santana's NAIC national producer number is 6252888.

2. SIA, INC. ("SIA") has been licensed as an Oregon resident insurance

producer since October 31, 2014. SIA's NAIC national producer number is 17414550.

3. Santana is the Designated Responsible Licensed Producer ("DRLP") for SIA.

4. At all times material, Santana was appointed with National Interstate Insurance ("National Interstate") through an Open Broker Recognition Agreement.

5. Respondents submitted the following Claims Policy Term Summaries ("Loss Reports") from Farmers Insurance Group of Companies ("Farmers") to National Interstate:

A. On December 1, 2015, Respondents submitted a Loss Report from Farmers showing zero losses from June 21, 2011 through June 21, 2016 for policy number 603138217.

B. On February 25, 2016, Respondents submitted a Loss Report from Farmers showing zero losses from April 1, 2011 through April 1, 2016 for policy number 605212157.

C. On December 1, 2016, Respondents submitted a Loss Report from Farmers showing zero losses from December 11, 2011 through December 11, 2016 for policy number 603138217.

D. On March 6, 2017, Respondents submitted a Loss Report from Farmers showing zero losses from April 1, 2012 through April 1, 2016 for policy number 605212157.

E. On October 17, 2017, Respondents submitted a Loss Report from Farmers showing zero losses from December 5, 2015 through December 9, 2017 for policy number 605508792.

6. National Interstate determined that the policy numbers listed on the Loss Reports were not legitimate policy numbers and the prior carriers listed on the Loss Reports had never insured the companies listed on the reports.

7. On February 22, 2018, National Interstate interviewed Santana, who

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acknowledged sending the Loss Reports to National Interstate. Santana advised National Interstate that he did not prepare the Loss Reports. Instead, Santana explained that another employee of Respondents prepared the reports and provided the documents to him, which he then forwarded to National Interstate without any verification or realization that the Loss Reports contained false information.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

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

9. As the DRLP for SIA, Santana is responsible for SIA's compliance with the Insurance Code.

10. Pursuant to 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.

11. Pursuant to ORS 746.100, no person shall make a false or fraudulent statement or representation on or relative to an application for insurance, or for the purpose of obtaining a fee, commission, money or benefit from an insurer or insurance producer.

12. Respondents made false statements relative to an application for insurance on five separate occasions by submitting false Loss Reports to National Interstate as described in Paragraph 5A through Paragraph 5E.

13. Pursuant to ORS 744.074(1)(h), the Director may place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license

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and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

14. Respondents used fraudulent, coercive or dishonest practices, or demonstrated untrustworthiness by submitting false Loss Reports to National Interstate as described in Paragraph 5A through Paragraph 5E.

15. Pursuant to ORS 731.988(1), the Director may assess CIVIL PENALTIES in an amount not to exceed $10,000 per violation against a person who violates any provision of the Insurance Code or any lawful rule of the Director. Each violation is a separate offense.

ORDERS

The Director issues the following ORDERS:

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

17. Based upon the foregoing and as authorized by ORS 731.988(1), the Director ORDERS that Respondents pay a CIVIL PENALTY of $1,000 per occurrence for the five violations of ORS 746.100 described in Paragraph 12 above for a total CIVIL PENALTY of $5,000.

18. The Director SUSPENDS the collection of $2,500 of the total $5,000 CIVIL PENALTY assessed above, so long as Respondents comply with all terms and conditions of this Final Order and all requirements of the Insurance Code. If Respondents comply with the terms of this Final Order and the Director has not initiated an enforcement action for new violations of the Insurance Code during the two-year period from the effective

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date of this Final Order, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed herein.

19. The $2,500 CIVIL PENALTY assessed above that is not suspended is due and payable at the time this Final Order is returned to the Division.

SO ORDERED this 27th day of August, 2018.

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

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

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CONSENT TO ENTRY OF ORDER

I, Scott Santana, state that I have read the foregoing Final 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 Final 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 Final Order; that I understand that the Director reserves the right to take further actions against me to enforce this Final 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 Final Order is a public document.

/s/ Scott Santana

Signature

State of Oregon

County of Marion

Signed or attested before me on this 9th day of August, 2018 by Scott Santana.

/s/ Andrew Sprauer

Notary Public

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ENTITY CONSENT TO ENTRY OF ORDER

I, Scott Santana, state that I am an officer of SIA, INC. and I am authorized to act on its behalf. I have read the foregoing Final Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. SIA, INC. voluntarily and without any force or duress consents to the entry of this Final Order expressly waiving any right to a hearing in this matter. SIA, INC. understands that the Director reserves the right to take further actions to enforce this Final Order or to take appropriate action upon discovery of other violations of the Oregon Insurance Code. SIA, INC. will fully comply with the terms and conditions stated herein.

SIA, INC. further assures the Director that neither SIA, INC. nor its officers, directors, employees, or agents will transact insurance in Oregon unless such activities are in full compliance with the Oregon Insurance Code. SIA, INC. understands that this Final Order is a public document.

Dated this 9th of August 2018.

/s/ Scott Santana
Signature

President
Office Held

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ENTITY ACKNOWLEDGMENT

There appeared before me this 9th day of August, 2018, Scott Santana, who was first duly sworn on oath, and stated that he was and is an officer of SIA, INC. and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of SIA, INC. and to bind SIA, INC. to the terms hereof.

/s/ Andrew Sprauer

Notary Public for the State of: Oregon

My commission expires: 09/01/18

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