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

In the Matter of: Tamara Reinecke-Wong, James Wong, and Wong & Associates dba WelPland Insurance Southeast Portland Office. Respondents.	Case No. INS-18-0022 FINAL ORDER TO CEASE AND DESIST, ORDER TO SUSPEND LICENSE FOLLOWED BY A PERIOD OF PROBATION, AND ORDER IMPOSING 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 Tamara Reinecke-Wong, James Wong and Wong & Associates dba WelPland Insurance Southeast Portland Office (collectively "Respondents") and gave notice on July 10, 2018 that the Director proposed to suspend the Oregon resident insurance consultant licenses and producer licenses of Respondents, followed by a period of probation, and proposed to assess a civil penalty.

Respondents wish to resolve and settle this matter with the Director.

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

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Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Tamara Reinecke-Wong ("Reinecke-Wong") has been licensed as an Oregon resident insurance producer since March 1988 and licensed as a consultant since July 23, 2015. Reinecke-Wong's national producer number is 49697.

2. James Wong ("Wong") has been licensed as an Oregon resident insurance

producer since September 1969 and licensed as a consultant since July 23, 2015. Wong's national producer number is 69130.

3. Wong & Associates, including assumed business name WelPland Insurance Southeast Portland Office ("WelPland"), has been licensed as an Oregon resident insurance producer since July 18, 1994 and licensed as a consultant since July 24, 2015. WelPland's national producer number is 5780910.

4. Reinecke-Wong and Wong are the Designated Responsible Licensed Producers ("DRLP") for WelPland.

5. In 2012, the Division of Financial Regulation ("Division") opened an investigation based on Respondents sales practice of packaging automobile insurance products with a roadside assistance product called Towbusters ("Towbusters") through an optional National Safe Drivers ("NSD") Motor Club service membership.

6. On August 23, 2012, the Division sent Respondents a warning letter stating, *"The Division has serious concerns regarding your marketing practices in the solicitation of your Towbusters roadside assistance coverage, stating that the product is "included" with the insurance package to Oregon consumers."*

7. In June 2015, the Division received another complaint regarding Respondents requiring a consumer to purchase Towbusters in order to receive the lowest automobile insurance rate.

8. On March 7, 2017, the Division received a complaint from consumer SC alleging that Respondents quoted him an insurance policy that included Towbusters for $80. When SC learned Towbusters was optional, he told Reinecke-Wong he did not want the service. Reinecke-Wong informed SC that she would then keep the $80 as a consultation fee. Reinecke-Wong stated in an email to SC and during an under-oath interview that she canceled Towbusters and the insurance policy without SC's consent.

9. In response to the Division's request, Respondents provided a list of 259

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consumers that purchased Towbusters from Respondents between January 1, 2017 to November 22, 2017.

10. The Division randomly selected a number of consumers from the list provided by Respondents and requested additional information from the consumers regarding the purchase of Towbusters.

11. Of the consumers that responded to the Director's request, a majority of the consumers stated that they believed that Towbusters was included in the automobile policy.

12. During a February 14, 2018 under oath interview, a WelPland employee stated that Reinecke-Wong trained her to present Towbusters as part of the automobile insurance policy and quote the lowest rate to consumers who signed up for Towbusters. If the consumer did not want Towbusters, the consumer was told they were ineligible for the lowest rate and quoted a higher rate.

13. Under oath on two separate occasions, August 9, 2012 and December 5, 2017, Reinecke-Wong stated that WelPland received 60-65% commission on each $80 Towbusters contract sold. On March 21, 2018, Reinecke-Wong stated that WelPland would send $18 per Towbusters contract to NSD for a membership and would keep the remaining $62 from the consumer.

14. Based on the numbers provided by Respondents, Respondents earned $16,058.00 on 259 Towbusters contracts sold between January 1, 2017 and November 22, 2017.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

15. 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.

16. Pursuant to ORS 744.074(1)(e), the Director may place a licensee on probation or suspend, revoke or refuse to renew an insurance producer licensee for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance. Respondents violated ORS 744.074(1)(e) by misrepresenting Towbusters as being included with an automobile insurance product.

17. Pursuant to ORS 744.059(2)(b), a business entity acting as an insurance producer is required to obtain an insurance producer license and the Director must find that the business entity has designated a licensed insurance producer responsible for the business entity's compliance with the insurance laws and rules of this state. Reinecke-Wong and Wong are the Designated Responsible Licensed Producers ("DRLP") for WelPland.

18. Pursuant to ORS 744.074(3), the Director may suspend, revoke or refuse to issue or renew the insurance producer license of a business entity if the Director determines that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the partnership or corporation but the violation was not reported to the Director and corrective action was not taken. Reinecke-Wong and Wong knew or should have known that individual licensees were violating the Insurance Code and failed to report it to the Director or take corrective action after receiving the warning letter from the Division in 2012.

19. Pursuant to ORS 744.013(2)(c), the Director may suspend or revoke a license for violating or noncompliance with any applicable provision of the Insurance Code or any rule. Respondents have violated ORS 744.074(1)(e).

20. Pursuant to ORS 744.013(2)(f), the Director may suspend or revoke a license for material misrepresentation of the terms of any insurance policy or proposed insurance policy. Respondents violated ORS 744.013(2)(f) by misrepresenting Towbusters as

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being included with an automobile insurance product.

21. Pursuant to 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.

ORDER

Now therefore, the Director issues the following Orders:

22. 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.

23. The Director, pursuant to ORS 744.074(1)(e) and ORS 744.074(3), hereby SUSPENDS Respondents' resident insurance producer licenses for a period of thirty (30) days in December 2018.

24. The Director, pursuant to ORS 744.013(2)(c) and (2)(f), hereby SUSPENDS Respondents' resident insurance consultant licenses for a period of thirty (30) days.

25. After the completion of the license suspension, the Director, pursuant to ORS 744.014(1)(c) and 744.074(1)(e), ORDERS that Respondents' resident insurance consulting licenses and insurance producer licenses include the following probationary conditions for the term of two years following the thirty day suspension:

a. Respondents will obey all federal, state and local laws.

b. Respondents will comply with all applicable insurance statues, rules and regulations.

c. Reinecke-Wong and Wong will each complete two hours of continuing education in ethics, in addition to any other continuing education requirement classes. Proof of completion shall be submitted to the Director within 180 days of this order.

d. Respondents and any affiliated companies or DBA's will discontinue selling NSD or similar contracts as a condition to receive a lower rate on insurance premiums.

e. The term of probation will end without further action by the Division unless

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the probation period is extended by the Director.

f. If Respondents fail to comply with the conditions of their probationary licenses, Respondents agree to notify the Division of the failure to meet the conditions and surrender their insurance consultant and insurance producer licenses (collectively "Licenses") immediately. If Respondents fail to surrender the Licenses within seven days of providing notification to the Division, or within seven days from the date that the Division notifies Respondents that the Director believes that there has been a violation of this Order, whichever is earlier, Respondents agree that their Licenses shall be revoked immediately.

26. Based upon the foregoing and in accordance with ORS 731.988(1), the Director ORDERS a CIVIL PENALTY of $15,000, as to all Respondents, joint and several.

27. The Director agrees to SUSPEND the collection of $12,000.00 of the $15,000.00 CIVIL PENALTY assessed herein upon the condition that Respondents commit no new violations of the Oregon Insurance Code or any administrative rules adopted thereunder, and complies with the conditions of probation set out in this Order.

28. If Respondents comply with all of the terms and conditions set out in this Order and commits no violations of the Oregon Insurance Code during the thirty day suspension followed by the two year period of probation from the date of issuance of this Order, the Director hereby agrees to WAIVE the $12,000 suspended amount.

29. The Director reserves the right to immediately assess and collect the $12,000.00 suspended amount, pursuant to the procedures set forth in ORS 183.745, upon a determination that Respondent has violated any term of this Order.

30. Respondents must pay the remaining $3,000.00 of the civil penalty assessed herein, which is due and payable at the time this Order is returned to the Division.

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SO ORDERED this 27th day of August, 2018 in Salem, Oregon.

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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ENTITY CONSENT TO ENTRY OF ORDER

I, Tamara Reinecke-Wong, am an officer of Wong & Associates dba WelPland Insurance Southeast Portland Office (collectively "WelPland"), 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. WelPland 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. WelPland 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 WelPland has committed other violations of the Insurance Code. WelPland, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

WelPland understands that this Order is a public document.

Signature: /s/ Tamara Reinecke-Wong

Position Held: President

State of Oregon

County of Multnomah

Signed or attested before me on this 13 day of August , 2018 by Tamara Reinecke-Wong.

/s/ Karla T. Bechen

Notary Public

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CONSENT TO ENTRY OF ORDER

I, Tamara Reinecke-Wong, 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/ Tamara Reinecke-Wong

Signature

State of Oregon

County of Multnomah

Signed or attested before me on this 13 day of August , 2018 by Tamara Reinecke-Wong.

/s/ Karla T. Bechen

Notary Public

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CONSENT TO ENTRY OF ORDER

I, James Wong, 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/ James Wong

Signature

State of Oregon

County of Multnomah

Signed or attested before me on this 13 day of August , 2018 by James Wong.

/s/ Karla T. Bechen

Notary Public

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