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

In the Matter of: HELEN KYUNG CHANG formerly known as HELEN KYUNG LEE and JOANY INC. aka IMPACT HEALTH INC., Respondents.	Case No. INS-18-0094 FINAL ORDER TO CEASE AND DESIST, ORDER REVOKING LICENSE, ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER as to HELEN KYUNG CHANG ONLY

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 HELEN KYUNG CHANG formerly known as HELEN KYUNG LEE ("Lee") and JOANY INC. aka IMPACT HEALTH INC. ("Joany", collectively "Respondents").

Lee wishes to resolve and settle this matter with the Director as to herself individually. Lee resigned from Joany, and is neither acting nor authorized to act on Joany's behalf by executing this Consent to Entry of Order.

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Lee has been licensed as an Oregon nonresident insurance producer since September 9, 2015. Lee's national producer number is 17615739.

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2. Joany has been licensed as an Oregon nonresident insurance producer since October 27, 2015. Joany's national producer number is 17653499.

3. Joany is registered with the Oregon Secretary of State ("SOS") office as of December 20, 2016. Prior to August 28, 2017, the business entity name was originally registered as Impact Health Inc.

4. Christine Carrillo ("Carrillo") is listed as the president and Lee is listed as the secretary of Joany. Carrillo is not a registered insurance producer in Oregon.

5. Lee is the Designated Responsible Licensed Producer ("DRLP") of Joany. She resigned from Joany in March 2019.

6. On June 28, 2017, Division of Financial Regulation ("Division") received information from Kaiser Permanente ("Kaiser") that it had been investigating Respondents for filing Agent of Record ("AOR") forms in order to claim broker status with members already enrolled with Kaiser.

7. Respondents obtained access to all the personal identifying information required to file the AOR forms by posting a "health insurance research study" ("Survey") on multiple social media outlets, like Craigslist and Facebook.

8. Participants of the Survey were paid $50 if they provided a copy of their health care identification card with a valid effective date and member number.

9. When Lee was asked about her role with Joany, she stated that she co-founded Joany with their CEO Christine Carrillo. Lee is the Head of Broker Operations, DRLP and main signing agent. As the main signing agent, all AOR forms are under Lee's signature and commissions generated following the submission of the AOR forms are owned by Joany.

10. According to Respondents, the final question on the Survey is the option to select Respondents as the consumer's insurance agent.

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11. Respondents provided information that over 1600 Oregon consumers took the Survey in 2017.

12. Respondents provided a list of AOR forms submitted for Oregon consumers in 2017. Respondents had filed 929 AOR forms.

13. During the investigation, the Division received 28 AOR forms from Kaiser that were for Oregon consumers.

14. The Division confirmed that consumers signatures were forged on the following AOR forms and submitted to Kaiser without the consumers knowledge:

A. On or about February 10, 2017, Respondents submitted an AOR form authorizing Respondents to act as JE's representative. JE said he did not sign the form or authorize anyone to sign on his behalf.

B. On or about February 10, 2017, Respondents submitted an AOR form authorizing Respondents to act as DL's representative. DL said he did not sign the form or authorize anyone to sign on his behalf.

C. On or about February 13, 2017, Respondents submitted an AOR form authorizing Respondents to act as DO's representative. DO said she did not sign the form.

D. On or about February 24, 2017, Respondents submitted an AOR form authorizing Respondents to act as HK's representative. HK said he did not sign the form or authorize anyone to sign on his behalf.

E. On or about February 27, 2017, Respondents submitted an AOR form authorizing Respondents to act as TH's representative. TH did not sign the form or authorize anyone to sign on her behalf.

F. On or about March 1, 2017, Respondents submitted an AOR form authorizing Respondents to act as BH's representative. BH said he did not sign the form or authorize anyone to sign on his behalf.

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G. On or about March 2, 2017, Respondents submitted an AOR form authorizing Respondents to act as MF's representative. MF said she did not sign the form or authorize anyone to sign on her behalf.

H. On or about March 6, 2017, Respondents submitted an AOR form authorizing Respondents to act as MR's representative. MR did not sign the form.

I. On or about July 10, 2017, Respondents submitted an AOR form authorizing Respondents to act as AD's representative. AD said he did not sign the form or authorize anyone to sign on his behalf.

J. On or about July 13, 2017, Respondents submitted an AOR form authorizing Respondents to act as SL's representative. SL said she did not sign the form.

K. On or about July 19, 2017, Respondents submitted an AOR form authorizing Respondents to act as JB's representative. JB said she did not sign the form or authorize anyone to sign on her behalf.

L. On or about July 19, 2017, Respondents submitted an AOR form authorizing Respondents to act as TJ's representative. TJ said she did not sign the form or authorize anyone to sign on her behalf.

15. When asked why and how the consumers' signatures were forged and the forms submitted without the consumers' knowledge, Respondents stated:

> Joany has identified situations in which customer AORs were sent to the incorrect carrier due to confusion consumers had on which plan they were signed up with. Joany has also identified that early in our process our manual data entry system used may have led to instances where an AOR was submitted incorrectly for a Research Study participant who did not select to use Joany as their broker. Separately, Joany is aware that its broker selection disclosure language may not have been presented to certain customers who came through the Research Study during a discrete time period before December 2, 2017. Joany also understands that certain customer signatures may have been handwritten or otherwise electronically rendered by Joany representatives rather than produced by hand or electronically by the customer.

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16. On August 23, 2018, the Division randomly selected 67 Oregon consumers out of the 929 and requested a copy of the AOR that was filed and commissions or compensation that Respondents received for the selected AOR forms. Respondents were given until September 13, 2018 to respond.

17. Respondents were granted an extension until September 28, 2018.

18. On September 27, 2018, an attorney for Respondents requested an extension to October 15, 2018 and stated that Joany was in the middle of a data migration.

19. The Division refused to grant another extension.

20. On October 1, 2018, an attorney for Respondents stated that she understood that the Division was unable to accommodate their request and will be able to fully respond with further information on October 19, 2018.

21. Respondents did not provide the additional requested information.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

22. 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.

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

24. Pursuant to ORS 744.074(1)(b), the Director may revoke an insurance producer licensee for violating any insurance laws, or violating any rule, subpoena or order of the Director. ORS 731.296 is an insurance law violated by Respondents.

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25. Pursuant to ORS 744.074(1)(g), the Director may revoke an insurance producer licensee for having admitted or been found to have committed any unfair trade practice or fraud related to insurance. Respondents violated ORS 744.074(1)(g) by forging consumers' signatures on the AOR forms and submitting them to Kaiser without the consumers' knowledge. While Lee disputes any personal involvement in the forgery, Lee is the DRLP of Joany and such forms were submitted under her signature by Joany personnel.

26. Pursuant to ORS 744.074(1)(k), the Director may revoke an insurance producer licensee for forging another person's name to an application for insurance or to any document related to an insurance transaction. Respondents violated ORS 744.074(1)(k) by forging consumers' signatures on the AOR forms and submitting them to Kaiser without the consumers' knowledge. While Lee disputes any personal involvement in the forgery, Lee is the DRLP of Joany and such forms were submitted under her signature by Joany personnel.

27. 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. Lee is the DRLP of Joany.

28. Pursuant to ORS 744.074(3), the Director may revoke 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. Lee knew or should have known that Respondents were violating the Insurance Code and did not report it to the Director.

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29. 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.

ORDERS

Now therefore, the Director issues the following Order and Proposed Order as against Lee only:

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

31. The Director, pursuant to ORS 744.074(1)(b), (g) and (k), hereby REVOKES the Oregon nonresident insurance producer license of Lee.

32. Based upon the foregoing and in accordance with ORS 731.988(1), the Director ORDERS a CIVIL PENALTY of $26,000, as to Lee.

33. The Director agrees to SUSPEND the collection of $16,000.00 of the $26,000.00 CIVIL PENALTY assessed herein upon the condition that Lee does not attempt to obtain an insurance producer license in the state of Oregon, does not accept any insurance business in the state of Oregon and does not accept any commissions from any insurance business in the state of Oregon.

34. If Lee complies with all of the terms and conditions set out in this Order and commits no violations of the Oregon Insurance Code for three years from the date of issuance of this Order, the Director hereby agrees to WAIVE the $16,000 suspended amount.

35. The Director reserves the right to immediately assess and collect the $16,000.00 suspended amount, pursuant to the procedures set forth in ORS 183.745, upon a determination that Lee has violated any term of this Order.

36. Lee must pay the remaining $10,000.00 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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37. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, entry of this Order is no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of Respondents that are not covered by this Order, or against any party not covered by this Order. This may include, but is not limited to, findings of facts that may be alleged by the Director, other than what is identified in paragraphs one through twenty-one, and the Directors right to take additional action and assess civil penalties under ORS 731.998.

SO ORDERED this 24th day of June, 2019 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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CONSENT TO ENTRY OF ORDER

I, HELEN KYUNG CHANG formerly known as HELEN KYUNG LEE, state that I have read the foregoing Order and that I know and fully understand the contents hereof; 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, without admitting to the allegations of the Order's Findings of Fact or Conclusions of Law, 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 violations of the Insurance Code by me that are not currently covered in this order that are unknown to the Director at the time of its investigation or that take place subsequent to the date of this Order; and that I will fully comply with the terms and conditions stated herein.

Signature: /s/ Helen Kyung Chang

State of California

County of Los Angeles

Signed or attested before me on this 14th day of June , 2019 by HELEN KYUNG CHANG formerly known as HELEN KYUNG LEE.

/s/ Nevine F. Ayad

Notary Public

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