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

In the Matter of: STEPHEN R. COLLUP, Respondent.	Case No. INS-21-0002 ORDER TO CEASE AND DESIST, FINAL ORDER SUSPENDING LICENSE, FINAL ORDER IMPOSING TERMS OF PROBATION, FINAL ORDER ASSESSING 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 Stephen R. Collup ("Respondent") regarding violations of the Insurance Code.

Respondent wishes to resolve and settle this matter with the Director and the Director concludes that the goal to protect the public is served with the issuance of this Consent Order.

Now therefore, as evidenced by the signatures subscribed in this Order, Respondent hereby consents to entry of this Order upon the Director's Findings of Fact and Conclusions of Law.

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FINDINGS OF FACT

The Director FINDS that:

1. Respondent is an Oregon resident with his last recorded business address at 378 Cherokee Avenue, Roseburg, OR 97471. Respondent has been an Oregon licensed resident

individual insurance producer since August 21, 2003. Respondent's NAIC national producer number is 2700052.

2. Affordable Life Insurance, LLC ("Affordable Life Insurance") is an inactive Wyoming limited liability company that administratively dissolved on March 12, 2013. Affordable Life Insurance has never been licensed as a business entity insurance producer in Oregon or Colorado.

3. Ullico Casualty Company ("Ullico") is a Delaware corporation that was licensed to transact insurance business in states including Colorado. Respondent was appointed by Ullico to sell workers compensation and employers' liability insurance until Ullico liquidated on May 30, 2013.

4. Between January 5, 2012 and May 6, 2016, Respondent accepted the following 24 payments totaling $7,499.55 from Colorado resident "J.A." for Ullico workers compensation insurance for which Respondent did not remit to Ullico.

Date	Payment by J.A.
1/5/2012	$682.80
7/6/2012	$534.01
8/17/2012	$275.90
9/5/2012	$281.02
10/22/2012	$281.12
11/8/2012	$371.28
1/10/2013	$491.50
4/9/2013	$249.55
6/4/2013	$144.64
7/22/2013	$254.45

Date	Payment by J.A.
3/9/2015	$272.84
4/10/2015	$271.85
7/13/2015	$286.41
8/11/2015	$391.51
9/9/2015	$391.52
10/16/2015	$391.51
11/12/2015	$291.51
11/12/2015	$100.00
2/9/2016	$271.84
3/9/2016	$276.90

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Date	Payment by J.A.
8/9/2013	$256.65
4/7/2014	$186.94

Date	Payment by J.A.
4/12/2016	$271.90
5/6/2016	$271.90

5. As a result of Respondent's failure to remit premium payments, J.A. operated his construction business from January 2012 through May 2016 without workers compensation insurance. On August 14, 2012, one of J.A.'s employees was injured. J.A. paid the medical claims himself because there was no workers compensation coverage.

6. Of the $7,499.55 described in Paragraph four above, at the time of this Order, Respondent has refunded $6,499.55 while $1,000 remains outstanding and owed to J.A.

7. Between June 6, 2013 and June 3, 2015, Respondent issued eight certificates of insurance ("Certificates") for J.A. On the Certificates, Respondent listed Affordable Life Insurance as the insurance producer and Ullico as the insurance company providing workers compensation and employers' liability insurance coverage as follows:

Date	Holder	Effective	Expiration	Number
6/6/2013	"F.P."	12/17/2012	12/17/2013	WC-9978786AP
11/5/2013	"C.C."	12/17/2012	12/17/2013	WC-9978786AP
2/3/2014	"C.P."	1/5/2014	1/5/2015	WC-997876AP
5/22/2014	None listed	1/5/2014	1/5/2015	WC-997876AP
3/4/2015	"V.S."	1/5/2015	1/5/2016	WC-997876AP
3/13/2015	"E.S.W.S"	1/5/2015	1/5/2016	WC-997876AP
4/27/2015	"C.S.P"	1/5/2015	1/5/2016	WC-997876AP
6/3/2015	"E.P."	1/5/2015	1/5/2016	WC-997876AP

8. On November 6, 2018, the Division of Financial Regulation (the "Division") began an investigation into the matters set forth above.

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9. On November 7, 2018, an investigator ("Investigator") with the Division and a representative of Pinnacol Assurance travelled to Respondent's office in Douglas County, Oregon and conducted a six hour interview with Respondent, including accessing and copying Respondents business records and files and records of his insurance trust account. The Investigator also took a recorded statement/interview of Respondent that day. The inspection was originally scheduled to last two days, but the Investigator informed Respondent as he departed that he would not be returning to the Respondent's office the next day (November 8, 2018) as he had obtained all the records and information necessary.

10. After further reviewing the records obtained on November 7th, the Investigator determined that he needed additional documents from Respondent. Accordingly, on November 8, 2018, the second day of the scheduled inspection, the Division's Investigator requested access to Respondent's records and to obtain additional copies of deposits into Respondent's premium trust account. Respondent refused to allow the Division's investigator access to the requested records, specifically as follows:

A. At 0823 hours, the Investigator placed a call to Respondent's business phone number and spoke with Respondent's employee "V.R." The Investigator asked to speak with Respondent and was advised that Respondent was on the telephone. The Investigator left a message with V.R. to inform Respondent that he would be returning to Respondent's office to obtain copies of deposits into Respondent's premium trust account.

11. At 0838 hours, Respondent returned the Investigator's phone call, advised the Investigator that there was no reason for him to return to the office, and informed the Investigator that Respondent did not want the Investigator to come. The Investigator asked Respondent if he was denying the Division access to his office during regular business hours to inspect his records and obtain information. Respondent responded, "yes". The Investigator advised Respondent that Oregon Administrative Rule (OAR) 836-074-0045 requires a licensed producer to make his records available for inspection by the Division

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during regular business hours and then asked Respondent again if he was denying the Division access to his office during regular business hours to inspect his records and obtain information. Respondent responded, "yes". Respondent believed that he had provided the Investigator reasonable access to all of his records the previous day. At this time of this order, Respondent understands that his refusal to grant access is a violation of the Insurance Code and Respondent has since cooperated with the Division by responding to inquiries and providing documentary evidence and other materials.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. 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.

13. 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.

14. Respondent violated ORS 746.100 by making a false statement for the purpose of obtaining the benefit of insurance coverage when he listed the liquidated insurance company Ullico on the Certificates described in Paragraph seven above.

15. Pursuant to ORS 746.120, no person shall willfully collect any sum as premium or charge for insurance which is not then provided, or is not in due course to be provided subject to acceptance of the risk by the insurer, under an insurance policy issued by an insurer in conformity to the Insurance Code.

16. Respondent violated ORS 746.120 by collecting premiums for workers compensation insurance which was not then provided as described in Paragraph four above.

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17. Pursuant to OAR 836-074-0045(3), an insurance producer shall make records for all premium funds received by the insurance producer available for inspection by the Director during regular business hours upon demand.

18. Pursuant to ORS 744.074(1)(b), the Director may place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for violating any insurance laws, or violating any rule, subpoena or order of the director or of the insurance commissioner of another state or Mexico or Canada.

19. Respondent violated ORS 746.100, ORS 746.120 and OAR 836-074-0045(3) as described in Paragraphs 14, 16, and 17 above.

20. Pursuant to ORS 744.074(1)(d), the Director may place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business.

21. Respondent improperly withheld moneys that had been received for Ullico workers compensation insurance coverage as described in Paragraph four above.

22. 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 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.

23. Respondent demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business by issuing the Certificates listing a liquidated insurance company as the insurer providing workers compensation and employers' liability

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insurance as described in Paragraph seven above.

24. Pursuant to ORS 731.988(1), the Director may impose a civil penalty of up to $1,000 per violation upon any individual that violates any provision of the Insurance Code or any lawful rule or final order of the Director.

ORDERS

Now therefore, the Director issues the following ORDERS:

25. Pursuant to ORS 731.252(1), the Director ORDERS Respondent to CEASE AND DESIST from violating ORS 744.074(1), ORS 746.100, ORS 746.120, and OAR 836-074-0045(3).

26. Pursuant to ORS 731.988(1), the Director ORDERS that Respondent pay CIVIL PENALTIES of $7,000 as follows:

A. A CIVIL PENALTY of $1,000 for violating OAR 836-074-0045(3).

B. A CIVIL PENALTY of $250 for each violation of ORS 746.120.

27. The Director hereby suspends payment of $6,000 of the CIVIL PENALTY for a period of two years. If, during the two year period following the effective date of this Order, Respondent complies with the terms of this Order and the Director has not initiated an enforcement action for new violations of the same provisions of the Insurance Code identified in this Order, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed herein. 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.

28. The non-suspended CIVIL PENALTY ($1,000) is due and payable at the time this Order is returned to the Division.

29. Pursuant to ORS 744.074(1), the Director hereby SUSPENDS the resident insurance producer license of Respondent for violating ORS 744.074(1), ORS 746.100,

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ORS 746.120, and OAR 836-074-0045(3). Should Respondent comply with the following terms, this SUSPENSION shall conclude 18 months from the date this Order is executed ("Suspension End Date").

A. Respondent will submit proof of completion of eight hours of continuing education in ethics to the Division (DFR.ReportEnforcement@oregon.gov) on or before the Suspension End Date. This continuing education requirement is in addition to any other continuing education requirements for maintenance of Respondent's licenses.

B. Respondent will refund the outstanding $1,000 described in Paragraph six above to J.A. Respondent will submit proof to the Division (DFR.ReportEnforcement@oregon.gov) that the $1,000 has been refunded to J.A. within 30 days from the date this Order is executed.

30. At the conclusion of the SUSPENSION, pursuant to ORS 744.074(1), the Director ORDERS that the resident insurance producer license of Respondent be subject to the following terms of probation:

A. Respondent shall obey all federal, state, and local laws.

B. Respondent shall comply with all insurance statutes, rules, and regulations.

C. During the probationary period, on the 15th day of each month, Respondent shall provide to the Division (DFR.ReportEnforcement@oregon.gov) the following information for each Certificate of Insurance issued the previous month:

i. Name of the insured and state of residence;

ii. Policy type, effective date, and insurer;

iii. Premium payment(s) received; and

iv. Payment(s) remitted to insurer.

D. The term of this probation will be for two years from the date of the Suspension End Date.

31. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that

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provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 3rd day of August, 2021.

ANDREW R. STOLFI, 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, Stephen R. Collup, 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/ Stephen R. Collup

Signature

State of Oregon

County of Douglas

Signed or attested before me on this 1 day of July, 2021 by Stephen R. Collup.

/s/ Lori Jo Kerry

Notary Public

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