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OFFICE OF  
INSURANCE COMMISSIONER  
HEARINGS UNIT

Fax: (360) 664-2782

2011 SEP 21 P 5:37

Patricia D. Petersen  
Chief Hearing Officer  
(360) 725-7105

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer  
(360) 725-7002  
KellyC@oic.wa.gov

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:	)	No. 11-0123
	)	
RALPH G. TAYLOR d/b/a ORION	)	NOTICE OF HEARING
INSURANCE GROUP, INC.,	)	
	)	
Licensee.	)	

**TO:** Ralph G. Taylor  
Orion Insurance Group  
4208 198<sup>th</sup> Street SW, Suite 201  
Lynwood, WA 98036

**COPY TO:** Mike Kreidler, Insurance Commissioner  
Michael G. Watson, Chief Deputy Insurance Commissioner  
Carol Sureau, Esq., Deputy Commissioner, Legal Affairs Division  
Alan Singer, Esq., Staff Attorney, Legal Affairs Division  
John F. Hamje, Deputy Commissioner, Consumer Protection Division  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

On May 31, 2011, the Insurance Commissioner ("OIC") received a letter Demand for Hearing from Ralph Taylor, in the matter of Ralph G. Taylor d/b/a/ Orion Insurance Group, Inc. (Licensee). As said letter rejected the OIC's proposed Consent Order and demanded a hearing, on June 22, the OIC filed a Notice of Intention to Hold Hearing and Impose Penalties ("Notice of Intention") which outlines the issues for hearing and requests a prehearing conference.

As stated in the aforementioned Notice of Intention to Hold Hearing and Impose Penalties, the OIC's position is that the Licensee, as a resident insurance producer, charged and collected at least \$100,000 from clients in fees using a form entitled Standard Broker Fee

Agreement & Disclosure ("Broker Agreement"). The OIC alleges that the Licensee's Broker Agreement violates RCW 48.17.270 in several respects detailed in his Notice of Intention, a copy of which is included in the hearing file. Further, the OIC asserts that by collecting a fee on at least 600 occasions using this form of Broker Agreement, the Licensee committed at least 600 violations of the Insurance Code, including RCW 48.17.270(3)(e), RCW 48.17.270(3)(b), and RCW 48.17.270(3)(d). In his Notice of Intention, the OIC seeks to impose an appropriate penalty on the Licensee for his alleged violations, the penalty to be determined by the undersigned after hearing.

The Licensee's position is as stated in his May 31, 2011, letter, a copy of which is included in the hearing file. Briefly, the Licensee asserts that he has tried more than most insurance producers to be compliant with the applicable laws in this area and feels his Broker Agreement form could be argued to be compliant; that he has not tried to hide anything to the consumer regarding his fees and the majority of consumers are more than willing to pay the fee; that he has never had an issue with the OIC; that he knows of producers who were investigated who were charging fees that do not have the clients sign off and the OIC did nothing in respect to their activities; and that he knows of producers who have charged \$40,000 fees. The Licensee asserts that Costco charges a fee to their consumers to be able to access their insurance agency (and they do not have a proper fee agreement); that AARP charges a fee to join their association in order to have access to their arranged insurance agreements; that there are many other associations which require consumers to join their group to access their arranged insurance agreements; and that banks charge fees to their customers that they would not be able to do unless they sold their insurance product (and they do not provide the required disclosure). Finally, the Licensee asserts that he is compliant in the surrounding states but not in Washington due to irregularities in the insurance codes. He suggests, to ensure compliance with the Insurance Code, that the OIC post the form that the OIC wishes Washington producers to use and provide guidance in how to use the form, just as he advises California does.

On August 23, 2011, the undersigned held a first prehearing teleconference in this matter. The Licensee appeared pro se. The OIC was represented by Alan Michael Singer, Esq., Staff Attorney in the OIC's Legal Affairs Division. The undersigned reviewed administrative procedures to be expected at hearing, citing Title 48 RCW and 34 RCW, the Administrative Procedures Act, relevant sections of which are set forth in the Notice of Intention to Hold Hearing and Impose Penalties referenced above. The undersigned addressed all questions and concerns of the parties. Further, the parties agreed that the hearing should commence at **10 a.m. on Tuesday, October 25, 2011**. The parties were informed that if they had any future questions or concerns, or requests for additional prehearing conferences, they should contact Kelly Cairns, Paralegal to the undersigned, who can be reached by telephone at (360) 725-7002, e-mail at [KellyC@oic.wa.gov](mailto:KellyC@oic.wa.gov), or at the above address.

The hearing will be held under the authority of Title 48 RCW and specifically RCW 48.04, Title 34 RCW and regulations applicable thereto. Pursuant thereto, the OIC has delegated to the undersigned the authority to conduct all activities preliminary to the hearing, the hearing and all activities following the hearing, and to determine and enter the final decision in this matter. Pursuant to Title 34 RCW, the undersigned shall handle these activities and make the final decision herein without input or communication with the Commissioner or any

member of his staff or others who have knowledge of the facts herein. Mr. Taylor will appear pro se, although he may retain an attorney to represent him at any time. Mr. Taylor's address is 4208 198<sup>th</sup> Street SW, Suite 201, Lynwood, Washington 98036, and his telephone number is (425) 771-5197. The OIC will be represented by Alan Michael Singer, Esq., Staff Attorney in the OIC's Legal Affairs Division. Mr. Singer's address is Office of the Insurance Commissioner, Legal Affairs Division, P.O. Box 40255, Olympia, WA 98504-0255, and his telephone number is (360) 725-7046.

As required by RCW 34.05.434(2)(I), you are advised that a party who fails to attend or participate in the hearing or other stage of the adjudicative proceeding may be held in default in accordance with ch. 34.05 RCW.

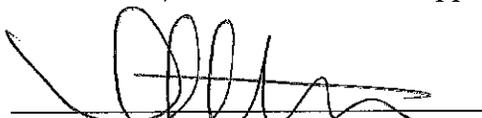
Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42, RCW, if a limited English-speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42, RCW. A Request for Interpreter form is attached to this Notice, with instructions thereon.

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

Based upon the above activity,

**IT IS HEREBY ORDERED** that the adjudicative proceeding in this matter shall commence on **Tuesday, October 25, 2011 at 10 a.m.**, Pacific Standard Time, in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington 98501.

ENTERED AT TUMWATER, WASHINGTON, this 27<sup>th</sup> day of September, 2011, pursuant to RCW 48.04, Title 34 RCW and applicable regulations.

  
\_\_\_\_\_  
PATRICIA D. PETERSEN  
Chief Hearing Officer  
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Ralph G. Taylor, Mike Kreidler, Michael G. Watson, Carol Sureau, Esq., Alan Singer, Esq., and John F. Hamje.

DATED this 27<sup>th</sup> day of September, 2011.

  
\_\_\_\_\_  
KELLY A. CAIRNS

**HEARINGS UNIT**  
Fax: (360) 664-2782

Patricia D. Petersen  
Chief Hearing Officer  
(360) 725-7105

Kelly A. Cairns  
Paralegal  
(360) 725-7002  
KellyC@oic.wa.gov

To request an interpreter, complete and mail this form to:

Chief Hearing Officer  
Office of Insurance Commissioner  
P.O. Box 40255  
Olympia, WA 98504-0255

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**REQUEST FOR INTERPRETER**

I am a party or witness in Matter No. \_\_\_\_\_, before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is \_\_\_\_\_ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Please print or type your name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_