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BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of	)	<b>Docket No. 11-0123</b>
	)	
<b>RALPH G. TAYLOR and ORION,</b>	)	<b>FINDINGS OF FACT,</b>
<b>INSURANCE GROUP, INC.,</b>	)	<b>CONCLUSIONS OF LAW,</b>
	)	<b>AND FINAL ORDER</b>
Licensee.	)	
_____	)	

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

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

Pursuant to RCW 34.05.434, 34.05.461, 48.04.010 and WAC 10-08-210, and after notice to all interested parties and persons the above-entitled matter came on regularly for hearing before the Washington State Insurance Commissioner commencing at 10:00 a.m. on December 1, 2011. All persons to be affected by the above-entitled matter were given the right to be present at such hearing during the giving of testimony, and had reasonable opportunity to inspect all documentary evidence. The Insurance Commissioner appeared pro se, by and through Alan Singer, Esq., Staff Attorney in his Legal Affairs Division. Ralph G. Taylor appeared pro se and represented himself and Orion Insurance Group, Inc. throughout the proceedings.

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**NATURE OF PROCEEDING**

The purpose of the hearing was to take testimony and evidence and hear arguments as to whether disciplinary action should be taken against Ralph G. Taylor and Orion Insurance Group, Inc. based primarily on the Commissioner's assertion that Mr. Taylor and his company charged and collected fees from clients on over 200 Washington commercial clients and 400 Washington personal clients using a form entitled Standard Broker Fee Agreement & Disclosure. While RCW 48.17.270(3)(b), (d) and (e) allows the use of such broker fee agreements and collection of fees for the service provided by Mr. Taylor and his company, the Insurance Commissioner asserts that the particular form of broker fee agreement which the Licensee used did not include certain specific information required by this statute. By letter dated May 31, 2011, Mr. Taylor and his company rejected a proposed Consent Order offered by the Insurance Commissioner and demanded a hearing. In response, the Insurance Commissioner filed his Notice of Intention to Hold Hearing and Impose Penalties, No. 11-0123, on June 22, 2011. In that Notice, the Insurance Commissioner proposes that a fine be imposed against Mr. Taylor and his company in an appropriate amount to be determined by the undersigned after hearing.

**FINDINGS OF FACT**

Having considered the evidence and arguments presented at the hearing, and the documents on file herein, the undersigned presiding officer designated to hear and determine this matter finds as follows:

1. The hearing was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. This Order is entered pursuant to Title 48 RCW, specifically RCW 48.04; Title 34 RCW, including, for good cause shown, 34.05.458(8); and regulations pursuant thereto.
2. Ralph G. Taylor is an individual who has held a resident property, casualty, life and disability insurance agent's license issued by the Washington State Insurance Commissioner ("OIC") since May 5, 1989, and has also held a resident property and casualty insurance broker's license issued by the OIC since November 9, 2000 (WAOIC 65457). As of December 2011, Mr. Taylor listed his business address in Snohomish, WA, and was appointed to represent approximately 10 insurance companies. [OIC Ex. 7.] Until the action at issue herein, the OIC has never taken any disciplinary action against Mr. Taylor. [Hearing Ex. 1; OIC Exs. 7, 8; Testimony of Ralph G. Taylor.]
3. Ralph G. Taylor created Orion Insurance Group, Inc. in 1995, and on July 19, 1995 the OIC issued Orion Insurance Group, Inc. a property, casualty, life and disability insurance agent's license, and a property and casualty insurance broker's license on November 9, 2000 (WAOIC 115305). As of December 2011, Orion Insurance Group, Inc.'s business address is listed in

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Lynnwood, Washington and was appointed to represent approximately 73 insurance companies. [Testimony of Taylor; OIC Ex. 8.] Until the action at issue herein, the OIC has never taken any disciplinary action against Orion Insurance Group, Inc. [OIC Ex. 8; Testimony of Taylor.]

4. Since its formation in 1995, Mr. Taylor has always been the sole owner of Orion Insurance Group, Inc. (Hereinafter, unless otherwise indicated, Mr. Taylor and Orion Insurance Group, Inc. are referred to collectively as "Licensee.") Further, in addition to being licensed in Washington State, the Licensee is also licensed as a nonresident insurance producer in three states: Oregon, Idaho and Alaska. As of December 2011, the Licensee employed 15 individuals and produced \$1,000,000 per year in revenue. [Hearing Ex. 1; OIC Exs. 7, 8; Testimony of Taylor.]

5. The Licensee is one of the largest producers of legal malpractice insurance covering Washington law firms with at least 200 Washington law firms among the Licensee's clients. The Licensee is also a large writer of insurance covering contractors and Architects & Engineers insurance. The Licensee has some 200 commercial customers and 400 personal customers in Washington. [Testimony of Taylor; OIC Ex. 6.] There are primarily three ways the Licensee is paid for his services: 1) by commissions paid to the Licensee by insurers; 2) by bonuses paid to the Licensee by insurers; and 3) by fees paid by the Licensee's customers to the Licensee. [Testimony of Taylor.] As found above, Mr. Taylor is appointed to represent some 10 insurers and Orion Insurance Group, Inc. is appointed to represent some 73 insurers. The commission arrangements between these many insurers vary. [Testimony of Taylor.] There being no evidence to the contrary, it is here found that the Licensee received a commission from the insurer for sale of the auto policy to Phan, and the Licensee receives commissions on most insurance policies it sells to its customers. Further, while the Licensee testifies that bonuses are being offered less often as a form of payment from insurers to producers, there being insufficient evidence to the contrary, it is here found that the Licensee received a bonus on the policy it sold to Phan, and that the Licensee also receives bonuses on many of the policies it sells to customers. Finally, there being insufficient evidence to the contrary, it is here found that the Licensee received or had the opportunity to receive a bonus on the policy he sold to Phan which is conditioned on the volume of total business he placed with the insurer of Phan's policy, and also that the Licensee receives or has the opportunity to receive a bonus from an insurer on many of the policies it sells to customers which is conditioned on the volume of total business he places with that insurer.

6. On July 1, 2009, producers (which beginning at that time became defined as including both "insurance brokers" and also what were formerly known in the Insurance Code as "insurance agents") began to be allowed to collect brokerage fees from customers. Since July 1, 2009, the Licensee has used this form of Standard Broker Fee Agreement & Disclosure ("Agreement"), which he drafted, with all of his Washington customers (and apparently his customers in other states) and does collect fees from all of his customers. [Testimony of Licensee.] The Licensee also used this Agreement before July 1, 2009, presumably only with those customers from whom he could collect fees. [Testimony of Licensee.] Since July 1, 2009

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the Licensee has collected, conservatively, \$100,000 in the fees from his Washington customers under this Agreement. [Testimony of Taylor, OIC Ex. 6.] The Licensee has some 200 commercial clients and 400 personal clients in Washington. With regard to his business in all four states in which the Licensee is licensed, the Licensee collects the subject fees from all of his customers regardless of their state of residence. Including all four states, the Licensee writes approximately 800 commercial clients and 1600 personal clients, and the Licensee has collected some \$300,000 for the last two years from his customers. [Testimony of Taylor.] The Licensee's average commercial fee was approximately \$250 and the Licensee's average personal fee was from \$75 to \$150. [Testimony of Taylor; OIC Ex. 5, 6.]

7. The Agreement used by the Licensee fails to provide a sufficient statement of the full amount of any commission paid to the Licensee by the insurer, if one is received.

8. When the Licensee may receive additional commission, the Agreement used by the Licensee fails to provide notice to the insured which states that the Licensee (i) may receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated; and (ii) that the Licensee will furnish to the insured or prospective insured specific information relating to additional commission upon request.

9. The Agreement used by the Licensee fails to provide the full name of the insurer that may pay any commission to the Licensee.

10. As found above, Mr. Taylor and Orion Insurance Group, Inc. have used this Agreement in Washington for years before July 1, 2009, presumably when they have acted as insurance brokers rather than agents, perhaps even since they became licensed as insurance brokers in this state on November 9, 2000. [Testimony of Taylor; OIC Ex. 5.] In drafting this Agreement, Mr. Taylor used the broker fee agreement and disclosure form which the California Department of Insurance provides for their licensed agents/brokers to use, as well as some others that he had seen. [Testimony of Taylor; OIC Ex. 5.]

11. In 2004, Ken Combs, an investigator then employed by the OIC, audited the Licensee on behalf of the OIC. The Licensee states, and there being no evidence to the contrary it is here found, that Mr. Combs reviewed the Licensee's Agreement at that time, and advised the Licensee that it was not the concern of the OIC if a consumer paid a brokerage fee but just that the consumer knew that s/he was being charged a fee. At the conclusion of that audit, Mr. Combs only found that the Licensee did not have a receipt book with its name on it and so the Licensee had such a receipt book printed. [Testimony of Licensee; Licensee Ex. 3.] However, because this audit and communications above took place in 2004, these communications took

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place years before the enactment or effective date of RCW 48.17.270 and therefore pertained only to fees charged by insurance brokers (as opposed to fees charged by insurance agents as well as brokers) because at that time and up until July 1, 2009 only insurance brokers were allowed to collect fees from customers.

12. The Licensee argues that he believed, from his 2004 communications with Mr. Combs of the OIC, that the Agreement he used in Washington in 2004 to collect insurance broker's fees from his customers was also in compliance with the new rule, enacted in 2007 and effective 2009 regarding collection of fees to both insurance brokers and agents. For this reason, the Licensee used the same Agreement he had been using in 2004 to comply with the new rule which became effective in 2009. The Licensee testified that he did not believe that his Agreement was in violation of the new rules allowing insurance agents to collect fees from customers beginning July 1, 2009. However, the Licensee's position is not tenable: the OIC auditor's statements to the Licensee in 2004 clearly pertained to agreements relative to insurance brokers collection of fees from customers; insurance agents only became allowed to collect fees from customers beginning on July 1, 2009 under an entirely different rule enacted in 2007, with different conditions and different focus, than had been in place in 2004 affecting only insurance brokers.

13. After the OIC received the Phan complaint regarding the Licensee's fees on October 4, 2010, and during the period from April 2011 until the date of the hearing, the Licensee has attempted to talk to relevant OIC staff about the contents of his Agreement and his concerns about what he was informed are now the OIC's requirements. [Testimony of Taylor; OIC Ex. 5.]

14. It seems reasonable to find that, because the statute allowing insurance agents (in addition to insurance brokers, who had been so allowed in the past) to collect fees from consumers for the service of placing their insurance coverage was only enacted in 2007 with an effective date of July 1, 2009, the Licensee made his best attempts to comply with that statute when drafting and using his Agreement; however, after a reading of the actual statute, it is here found that this new statute is actually very clear as to what must be included in the Licensee's Agreement if he chooses to collect fees from customers as either an insurance broker or an insurance agent (i.e., as an "insurance producer") beginning on July 1, 2009. Most of those areas which the OIC asserts the Licensee's Agreement violated are very clear and the Licensee would not have needed to copy California's model agreement (which may be based upon an entirely different statute). Also, the Licensee would not need a specific interpretation by the OIC of most of the requirements which the OIC alleges the Licensee violated. The only section of the new statute which, as the Licensee asserts, can be argued to be somewhat unclear is whether, as the Licensee argues, the Licensee can use a percentage of the premium in disclosing the commission he will receive from the insurer or whether the Licensee must use a set dollar figure which as the Licensee argues has some practical difficulties.

15. The undersigned has carefully considered the Licensee's argument, presented as at least one of the Licensee's primary defenses, that the OIC should have taken action against other insurance producers which the Licensee asserts have committed the same violations. However,

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it is reasonable that – as has occurred here – the OIC takes actions against those individuals and entities it identifies as having violated provisions of the Insurance Code at the time it determines it has established sufficient facts against that individual or entity given the difference in facts, timing and other factors inherent in each case. The issue is whether or not this Licensee has violated the new rule regarding use of fee agreements for collection of fees from customers.

16. Ralph G. Taylor appeared as a witness on behalf of himself and on behalf of Orion Insurance Group, Inc. Mr. Taylor presented his evidence in a clear and credible manner. It is clear that Mr. Taylor is a producer who has very successfully conducted business as an insurance producer since 1989, and has very successfully conducted the business of Orion Insurance Group, Inc. which he created and has operated as its sole owner since 1995. Further, as found above, neither Mr. Taylor nor Orion Insurance Group, Inc. have ever been the subject of any disciplinary action taken by the OIC since Mr. Taylor became licensed 23 years ago or since Orion Insurance Group, Inc. became licensed 17 years ago. Mr. Taylor did, however, rather than focusing on the specifics of the OIC's charges against him, instead continually focused on blaming the OIC for his situation in several different ways, by continually emphasizing: 1) his complaint that the OIC has not treated all those who Mr. Taylor has determined have also violated the applicable rule equally; 2) his claim that the OIC's auditor Combs lead him to believe his Agreement was in compliance with the new rule (even though he knew the audit and Combs' comments were made in 2004 the new rule was even enacted so pertained only to the old rule which governed only brokers' collection of fees and was replaced beginning July 1, 2009); 3) his complaint that the OIC's requiring disclosure of a fixed dollar figure (as opposed to a percentage) in the subject Agreement was unreasonable; and 4) his complaint that his noncompliance was because the OIC had not properly advised him how to comply with the new rule, in the form of a Technical Advisory or other distribution to producers. All of these complaints are either not factual or not relevant herein, and the Licensee's continual focus on these complaints made an examination of the actual relevant facts herein more difficult than necessary. The real issue herein is whether the Agreement the Licensee has used with his Washington customers, and under which he has collected fees from those customers, is in violation of the new rule or not. It is not credible that the Licensee actually made its best efforts to comply with RCW 48.17.270 because the requirements of that statute are clear.

17. Marianne Azevedo, Investigator employed by the OIC, appeared as a witness on behalf of the OIC. Ms. Azevedo presented her evidence in a clear and credible manner and exhibited no apparent biases.

18. Cheryl Penn, who was at all times pertinent hereto an Investigator employed by the OIC, appeared as a witness on behalf of the OIC. Ms. Penn presented her evidence in a clear and credible manner and exhibited no apparent biases.

19. Based upon the above findings of facts, it would have been reasonable to impose a significantly more substantial fine against Mr. Taylor and Orion Insurance Group, Inc. for their actions found above. However, during the hearing herein the OIC asked that a fine of no more

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than \$250 be imposed for these violations, and therefore it is most reasonable that a \$250 fine be imposed upon Mr. Taylor and Orion Insurance Group, Inc., jointly and severally, for their actions in using the Agreement at issue herein with all of his some 600 Washington customers since July 1, 2009, and collecting at least \$100,000 in fees from his customers under this Agreement.

**CONCLUSIONS OF LAW**

1. Based upon the above Findings of Facts, it is hereby concluded that the hearing was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. This Order is entered pursuant to Title 48 RCW, specifically RCW 48.04; Title 34 RCW, including, for good cause shown, 34.05.458(8); and regulations pursuant thereto.

2. Chapter 48.17 RCW was significantly altered in 2007 by Session Law 2007, ch. 117, eff. July 1, 2009, which became effective on July 1, 2009. Originally that portion of the Insurance Code had been entitled "Agents, Brokers, Solicitors, and Adjustors" and had been in place, insofar as is pertinent herein, substantially as written since 1947. The Legislature gave this chapter the new title "Insurance Producers, Title Insurance Agents, and Adjustors" to reflect some of the significant changes made in Chapter 48.17. Among these changes are included changing the name of insurance agents and insurance brokers to be both termed "producers." More significantly, whereas prior to 2009 if an individual or agency was licensed as an insurance broker then that broker could receive a brokerage fee from the consumer and the broker represented that consumer, and if an individual or agency was licensed as an insurance agent (as opposed to broker) then that agent could not receive a fee from the consumer and the agent represented the insurer. RCW 48.17.270(1) refers to both insurance agents and insurance brokers (now "producers") and provides that the sole relationship between an insurance producer and an insurer as to which the insurance producer is appointed as an agent shall be that of insurer and agent. It also provides, however, that a producer may receive compensation in the form of a commission paid by the insurer, a fee paid by the insured (where previously an insurance agent could not collect a fee from an insured); or a combination of commission paid by the insurer and a fee paid by the insured. RCW 48.17.270 further provides, however:

*(3) If the compensation received by an insurance producer who is dealing directly with the insured includes a fee, for each policy, the insurance producer must disclose in writing to the insured:*

*(a) The full amount of the fee paid by the insured;*

*(b) The full amount of any commission paid to the insurance producer by the insurer, if one is received;*

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....

(d) When the insurance producer may receive additional commission, notice that states the insurance producer:

(i) May receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated; and

(ii) Will furnish to the insured or prospective insured specific information relating to additional commission upon request; and

(e) The full name of the insurer that may pay any commission to the insurance producer.

(4) Written disclosure of compensation as required by subsection (3) of this section shall be provided by the insurance producer to the insured prior to the sale of the policy.

(5) Written disclosure as required by subsection (3) of this section must be signed by the insurance producer and the insured, and the writing must be retained by the insurance producer for five years. For the purposes of this section, written disclosure means the insured's written consent obtained prior to the insured's purchase of insurance. In the case of a purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained, consent documented by the insurance producer shall be acceptable. [Emphasis added.]

3. As cited above, RCW 48.17.270(3)(b) requires that the producer must disclose in writing to the insured the full amount of any commission paid to the insurance producer by the insurer, if one is received. As found above, with regard to this requirement, which the Licensee has indicated he has used with all of his customers since July 1, 2009, once again the Agreement merely states:

*10. Your brokerage may receive commission from insurance company(ies) for placing your insurance. Commissions can range from 0 to 20%. This commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.*

It is hereby concluded that the Licensee failed to disclose in writing to the insured with sufficient specificity the full amount of commission paid to the Licensee by the insurer, in so doing violated RCW 48.17.270(3)(b). Including a range of "0 to 20% ... may be paid to your broker by the insurance company(ies)" is not sufficient information and therefore does not conform to

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the intent of this statute. It is reasonable that the OIC has required a fixed dollar amount as adequate compliance with this section; just because, as found above, the Licensee disagrees with the requirement that a producer is required to state a fixed dollar amount of commission under this section does not constitute an adequate defense to the Licensee's actions in violating this section. (Additionally, it is noted that the Licensee suggests that the OIC should simply require a percentage in response to this requirement. However, it would seem reasonable for the OIC to continue to require a fixed dollar amount in response to RCW 48.17.270(3)(b). The additional commission which the Licensee continually argues makes RCW 48.17.270(3)(b) too burdensome when a dollar figure is required is actually required under RCW 48.17.270(3)(d) which requires that the actual amount of additional commission is required to be disclosed to the insured only upon request (in addition to the notice requirements of RCW 48.17.270(3)(d) which, as concluded below, the Licensee also violated.)) Further, as cited above, RCW 48.17.270(3)(a) requires that the producer must disclose in writing to the insured, for each policy, the full amount of the commission paid to the Licensee by the insurer: in his use of the wording "by the insurance company(ies)" in his Agreement, it appears that the Licensee contemplates providing such disclosure as is provided in a single form of Agreement, and combined, and not as to each policy that may pay a commission to the Licensee, and in so doing the Licensee has violated RCW 48.17.270(3).

4. As cited above, RCW 48.17.270(3)(d) requires that when the producer may receive additional commission as defined thereunder, the producer must give written notice to the insured that he may receive this additional commission. In regard to this requirement, once again, the Licensee's Agreement merely provides:

*10. Your brokerage may receive commission from insurance company(ies) for placing your insurance. Commissions can range from 0 to 20%. This commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.*

As found above, even accepting Mr. Taylor's testimony that fairly few insurers pay or offer a bonus, RCW 48.17.270(3)(d) encompasses many forms of future incentive compensation other than bonuses. The Licensee's Agreement does not even have a line/section in which to include the notice that he may receive additional commission (as defined in RCW 48.17.270(3)(d)) when that is the case. It is hereby concluded that, where this has been the case, the Licensee failed to provide written notice to the insured that he may receive additional commissions in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses from the insurer as contemplated by RCW 48.17.270(3)(d)(i), and in so doing the Licensee violated RCW 48.17.270(3)(d)(i).

5. RCW 48.17.270(3)(d)(ii) requires that, when the producer may receive additional commission as defined therein, he must provide written notice to the insured that he will furnish to the insured or prospective insured specific information relating to additional commission upon request. In the subject Agreement, which the Licensee acknowledges he has used with all of his customers since July 1, 2009, even accepting Mr. Taylor's testimony that fairly few insurers pay

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or offer a bonus, RCW 48.17.270(3)(d) encompasses many forms of future incentive compensation other than bonuses. The Licensee's Agreement does not even include a line/section which states that the Licensee will provide specific information relating to additional commission upon request, in the case where additional compensation is paid or offered to the Licensee by the insurer as contemplated by RCW 48.17.270(3)(d). Therefore, it is hereby concluded that, where any form of additional commission as defined in RCW 48.17.270(3)(d) is paid or offered by the insured to the Licensee, the Licensee's Agreement fails to disclose that the Licensee will furnish to the insured or prospective insured specific information relating to that additional commission upon request, in violation of RCW 48.17.270(3)(d)(ii).

6. As cited above, RCW 48.17.270(3)(e), the producer is required to state the full name of any insurer that may pay a commission to the producer. As found above, with regard to this requirement, the Licensee's subject Agreement with Phan [OIC Ex. 3], which the Licensees has indicated he has used with all his customers since July 1, 2009, the Agreement merely states:

*10. Your brokerage may receive commission from insurance company(ies) for placing your insurance. Commissions can range from 0 to 20%. This commission may be paid to your broker by the insurance company(ies) in addition to any broker fee you pay.*

It is hereby concluded that the Licensee failed to provide the full name of the insurer that may pay a commission to him, and thereby violated RCW 48.17.270(3)(e). There is not even a line/section in the Licensee's Agreement for providing the full name of any insurer.

7. Based upon the above Findings of Facts and Conclusions of Law, to the effect that in the Licensee's use of, and collection of fees under, his Agreement with all of his some 600 Washington commercial and personal customers since July 1, 2009 the Licensee has violated several provisions of RCW 48.17.270 as detailed above, and the fact that the OIC has asked for a fine not exceeding \$250, it is hereby concluded that a fine of \$250 should be imposed upon Ralph G. Taylor and Orion Insurance Group, Inc., jointly and severally, pursuant to RCW 48.17.530(1)(b) and 48.17.560.

**ORDER**

On the basis of the foregoing Findings of Facts and Conclusions of Law,

**IT IS HEREBY ORDERED** that a fine of \$250.00 should be imposed upon Ralph G. Taylor and Orion Insurance Group, Inc., jointly and severally, for violations of RCW 48.17.270.

**IT IS FURTHER ORDERED** that, pursuant to RCW 48.17.560(2), said fine in the amount of \$250.00 shall be paid within 30 days of the date of this Order by mailing payment to P.O. Box

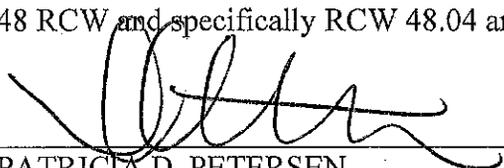
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40255, Olympia, Washington 98504-0255, or delivering to 5000 Capitol Boulevard, Tumwater, Washington 98501. Pursuant to RCW 48.17.560(3), should payment not be received when due, the OIC shall take the further steps set forth in RCW 48.17.560(3) and RCW 48.02.080.

ENTERED AT TUMWATER, WASHINGTON, this 21<sup>st</sup> day of June, 2012, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.

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

Pursuant to RCW 34.05.461(3), the parties are advised that they may seek reconsideration of this order by filing a request for reconsideration under RCW 34.05.470 with the undersigned within 10 days of the date of service (date of mailing) of this order. Further, the parties are advised that, pursuant to RCW 34.05.514 and 34.05.542, this order may be appealed to Superior Court by, within 30 days after date of service (date of mailing) of this order, 1) filing a petition in the Superior Court, at the petitioner's option, for (a) Thurston County or (b) the county of the petitioner's residence or principal place of business; and 2) delivery of a copy of the petition to the Office of the Insurance Commissioner; and 3) depositing copies of the petition upon all other parties of record and the Office of the Attorney General.

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, John F. Hamje, Esq., Alan Singer, Esq., and Carol Sureau, Esq.,

DATED this 21<sup>st</sup> day of June, 2012.

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