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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)	Docket No. 12-0086
)	
PATRICK BRYANT,)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW,
Licensee.)	AND FINAL ORDER
_____)	

TO: Patrick Bryant
6126 W. State Street #409
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COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Marcia G. Stickler, Staff Attorney, Legal Affairs Division
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
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 June 19, 2012, by telephone pursuant to RCW 34.05.449(3) and there being no objection by the OIC. 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 was represented by Marcia Stickler, Esq., Staff Attorney in his Legal Affairs Division. Patrick Bryant appeared pro se.

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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 Patrick Bryant, based primarily on the Insurance Commissioner's determination that the Licensee engaged in dishonest practices when he allegedly falsified two Liberty Northwest Insurance Corporation Common Policy Declarations in order to fulfill his current employer's productivity requirement that he submit a minimum number of quotes each period. In response to the Commissioner's discovery of this activity, the Commissioner proposed a Consent Order Levying a Fine, No. 12-0086, to the Licensee which proposed the imposition of a fine in the amount of \$1,000.00 against the Licensee for his actions. On May 4, 2012, the Licensee rejected the proposed Consent Order and, while admitting the facts alleged by the Commissioner, demanded a hearing to contest the Commissioner's imposition of the fine.

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 and specifically RCW 48.04; Title 34 RCW and specifically, for good cause shown, RCW 34.05.458(8); and regulations pursuant thereto.
2. Patrick Bryant ("Licensee") is an individual who holds a college degree in business management from Fresno State University and grew up in the central valley of California. He worked as a sales manager (not in the insurance business) for a company in California and continued in that position when he moved to Idaho in approximately 2005. In approximately 2005, he obtained an Idaho resident insurance producer's license and changed his employment to begin work as an insurance producer for Farmers Insurance Company in Idaho. The Licensee worked for Farmers for three years. In 2009, when it became clear that his compensation at Farmers would not be as he had expected, he left Farmers, retained his Idaho resident insurance producer's license and obtained his Washington and Oregon nonresident insurance producer's licenses, and began working for Sentry Insurance Company ("Sentry"). He worked for Sentry, conducting commercial insurance business, for approximately 25 months until he was terminated due to the events at issue herein.
3. Therefore, the Licensee has held 1) an Idaho resident insurance producer's license from approximately 2005 to the present; 2) a Washington nonresident insurance producer's license

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from 2009 to the present; and 3) an Oregon nonresident insurance producer's license from 2009 to November 2011 when he no longer needed his Oregon license and so let it expire. Aside from this current disciplinary action conducted by the Washington State Insurance Commissioner ("OIC"), there is no evidence that the Licensee has had any complaints or problems with the OIC, or with the Idaho Insurance Department or the Oregon Insurance Department relative to his activities as an insurance producer. [Testimony of Licensee.]

4. During the pertinent period, Sentry had what are known as Production and Activity Requirements for its Account Managers (including the Licensee). Under these requirements, an insurance producer must submit a minimum number of quotes to Sentry during a defined period of time, and failure to meet these requirements can result in a salary reduction and/or possible termination. [Ex. 3, December 27, 2011 letter from Dustin Henderson, Northwest Region Manager with Sentry, to OIC.] In submitting quotes, the producer must submit, among other material, a copy of the business owner's current Common Declaration Page ("CPD") which identifies the current insurer, current policy number and expiration date of the current policy, together with the premium paid for the current policy. [OIC Ex. 3, Statement of Dustin Henderson, Northwest Regional Manager, Sentry Insurance – Dealer Operations.] Further, Sentry does not provide quotes for businesses which do not currently have commercial insurance through another insurer. [Testimony of Licensee; OIC Ex. 3, Statement of Henderson.]

5. In 2011, the Licensee submitted a quote CPD for Neils Auto Body Shop Inc. in Enterprise, Oregon. This CPD correctly reflected the information required regarding Neils Auto Body Shop's current insurer (Liberty Mutual). [OIC Ex. 2, p. 2; OIC Ex. 3, Statement of Henderson.]

6. On or about October 2011, the Licensee submitted a quote to Sentry for Gem Auto Body in Walla Walla, Washington. As required by Sentry, the Licensee submitted a CPD indicating Gem Auto Body's current insurer, current policy number, expiration date, and premium paid. However, the Licensee admits and it is here found, that the Licensee simply used the CPD from Neils Auto Body Shop and falsely altered the name "Neils Body Shop Inc." on Neils Auto Body Shop's Declaration Page to "Gem Auto Body" and included Gem Auto Body's address. The Licensee retained the name of the Neils Auto Body Shop's insurer (Liberty Northwest Insurance Company), the policy number for Neils Auto Body Shop's policy, altered the policy period and expiration date by two days, and retained the amount of premium which Neils Auto Body Shop paid for that policy. [OIC Ex. 2, p. 2; OIC Ex. 4, p. 12; OIC Ex. 3, Statement of Henderson.] In fact, Gem Auto Body did not have insurance through Liberty Northwest. [OIC Ex. 3, Statement of Henderson.]

7. Again in 2011, the Licensee submitted a quote to Sentry for Ainsworth Collision Center in Pasco, WA. As required by Sentry, the Licensee submitted a CPD indicating Ainsworth Collision Center's current insurer, current policy number, the expiration date, and the amount of premium paid. However, the Licensee admits and it is here found, that the Licensee simply used the CPD for Neils Auto Body Shop and falsely altered the name "Neils Body Shop Inc." on Neils

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Auto Body Shop's CPD to "Ainsworth Collision Center" and included Ainsworth's address. The Licensee retained the name of the Neils Auto Body Shop's insurer (Liberty Northwest Insurance Company), apparently retained the policy number for Neils Auto Body Shop's policy, changed the policy period and expiration date of Neils Auto Body Shop's policy by two days, and retained the same amount of premium Neils Auto Body Shop paid for that policy. [OIC Ex. 2, p. 2; OIC Ex. 4, p. 12; OIC Ex. 3, Statement of Henderson.]

8. The two Declaration Pages which the Licensee altered relative to quotes for Gem Auto Body and Ainsworth Collision Center were internal documents required by Sentry of its producers in its administration of its corporate Production and Activity Requirements and were not required under state law or regulation. Further, Sentry's Production and Activity Requirements themselves are not required by state law or regulation. The Licensee falsely altered and submitted these two CPDs because he was two quotes behind in Sentry's required minimum quotes under its Production and Activity Requirements. [Testimony of Licensee.] The Licensee states that he did not intend to secure Sentry insurance coverage for these two businesses but instead only meant to be able to meet Sentry's productivity requirements.

9. On October 17, 2011 Sentry terminated the Licensee's appointment as a producer. Originally the appointments were terminated as resignations. On or before October 19, 2011, Sentry changed its reason for termination to "Cause." [OIC Ex. 1, p. 1.] As a result of subsequent communications between Sue Pitt, Sr. HR. Advisor with Sentry and the Idaho Department of Labor which administers claims for unemployment benefits, the Idaho Department of Labor advised Sentry *Sue, Surprisingly, he [the Licensee] admitted doing it without argument. To say the least, he will be denied. You should get the official determination in a few days.* [OIC Ex. 4, p. 5.]

10. The OIC submitted no witnesses on its behalf.

11. Michael Lynch, Account Manager with Sentry Insurance Company, appeared by telephone as a witness on behalf of the Licensee. Mr. Lynch testified as to the good reputation and integrity of the Licensee and presented this testimony in a detailed and credible manner and presented no apparent biases.

12. Patrick Bryant, the Licensee, appeared by telephone as a witness on his own behalf. Mr. Bryant presented his testimony in a detailed and credible manner and presented no apparent biases.

13. Based upon the above Findings of Facts, it is reasonable that the OIC's decision to impose a fine of \$1,000 upon the Licensee for the activities alleged in its proposed Consent Order Levying a Fine be modified to impose a fine of \$500, payable in two equal quarterly installments, the first to be received by the Insurance Commissioner on or before January 2, 2013, and the second to be received by the Insurance Commissioner on or before April 2, 2013.

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CONCLUSIONS OF LAW

Based upon the above Findings of Facts, it is hereby concluded:

1. The adjudicative proceeding herein 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 and specifically RCW 48.04; Title 34 RCW including, for good cause shown, RCW 34.05.458(8); and regulations pursuant thereto.

2. RCW 48.17.530(1)(h) provides:

that the OIC may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or may levy a civil penalty in accordance with RCW 48.17.560 or any combination of actions, for any one or more of the following causes: ... (h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

Although submission of the altered Declaration Page was only an internal filing required by Sentry in its administration of its Production and Activity Requirements and is not required by any statute or regulation, in altering and submitting the Declaration Page to Sentry relative to the Gem Auto Body quote the Licensee used fraudulent or dishonest practices in Washington, and in so doing violated RCW 48.17.530(1)(h).

3. Although submission of the altered Declaration Page was only an internal filing required by Sentry in its administration of its Production and Activity Requirements and is not required by any statute or regulation, in altering and submitting the Declaration Page to Sentry relative to the Ainsworth Collision Center quote the Licensee used fraudulent or dishonest practices in Washington, and in so doing violated RCW 48.17.530(1)(h).

4. RCW 48.17.560 permits the OIC to fine a producer up to \$1,000 per violation of the Insurance Code in addition to or in lieu of revocation or suspension of his license. In considering the facts found above, the Licensee should be fined a total amount of \$500, payable in two equal quarterly installments, the first to be received by the Insurance Commission on or before January 2, 2013 and the second to be received by the Insurance Commissioner on or before April 2, 2013.

ORDER

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

IT IS HEREBY ORDERED that the Washington State Insurance Commissioner's decision to impose a fine or other disciplinary action upon the Licensee for the activities alleged in its proposed Consent Order Levying a Fine is modified to impose a fine of \$500.

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IT IS FURTHER ORDERED that the Licensee shall pay a total fine of \$500, payable in two equal quarterly installments, the first to be received by the Insurance Commission on or before January 2, 2013 and the second to be received by the Insurance Commissioner on or before April 2, 2013. Said fine should be paid to the Office of the Insurance Commissioner, by mailing payment to P.O. Box 40255, Olympia, Washington 98504-0255, or delivering to 5000 Capitol Boulevard, Tumwater, Washington 98501. Should it become necessary to take further action to collect this fine from the Licensee, the Insurance Commissioner may seek enforcement of this Order from the Thurston County Superior Court pursuant to RCW 48.02.080. Further, should said fine not be received by the Insurance Commissioner at the above addresses on or before the dates specified above, the Insurance Commissioner may revoke the Washington nonresident insurance producer's license of the Licensee without further notice.

ENTERED AT TUMWATER, WASHINGTON, this 24th day of October, 2012, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.



PATRICIA D. PETERSEN
Chief 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: Patrick Bryant, Mike Kreidler, Michael G. Watson, John F. Hamje, Esq., Marcia G. Stickler, Esq., and Carol Sureau, Esq.

DATED this 24th day of October, 2012.



KELLY A. CAIRNS