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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

Sandra Cooley Allen,

Licensee.

Order No. 13-0181

WAOIC No. 142564
NPN No. 766442

STIPULATION AND ORDER
TERMINATING PROCEEDINGS,
RESCINDING ORIGINAL AND
AMENDED REVOCATION
ORDER NO. 13-0181, SETTING
CONDITIONS FOR
PROBATIONARY INSURANCE
PRODUCER'S LICENSE, AND
LEVYING A FINE

Pursuant to RCW 34.05.060 and WAC 10.08.230(2)(b), the parties hereby stipulate and agree as follows in resolution of this matter:

1. Licensee Sandra Cooley Allen ("Licensee") holds a Washington resident insurance producer license, WAOIC # 142564, NPN 766442, issued April 1997.
2. Ms. Cooley Allen is the subject of four complaints received by the Washington State Office of Insurance Commissioner. Based on these four complaints, the Insurance Commissioner entered Order No. 13-0181 alleging that Ms. Cooley Allen violated the Washington Insurance Code and revoking Ms. Cooley Allen's Washington producer license. Subsequently, the Insurance Commissioner obtained records from Bankers Life & Casualty Company ("Bankers") identifying three other incidents of concern to the Insurance Commissioner. Based on those incidents the Insurance

1 Commissioner amended its Order of revocation. Ms. Cooley Allen does not agree with
2 the Order's assertion that she violated the Insurance Code and she timely demanded a
3 hearing challenging the Order. As a result of Ms. Cooley Allen's timely hearing
4 demand, the Order was automatically stayed pursuant to RCW 48.04.020.

5
6 3. Of the four complaints to the Insurance Commissioner listed in the Order,
7 one was made in 1998 and was dismissed; one, made in 2006, resulted in an agreed
8 reprimand; the other two complaints name her as a subject of the complaints but also
9 name another insurance producer, Trisa Jackson ("co-producer"), as a co-subject of the
10 complaints. In the complaints against both insurance producers, consumers alleged the
11 insurance producers engaged in coercive behavior and failed to correctly and
12 appropriately explain the products they were selling.

13
14 4. As to the complaint received by the Insurance Commissioner that
15 generated the investigation against Ms. Cooley Allen and Ms. Jackson, that complaint
16 concerned the proposed replacement of a variable annuity with a Bankers Life &
17 Casualty Company ("Bankers") fixed annuity. According to the complainant, in
18 October 2009, Ms. Cooley Allen and the co-producer used coercion to obtain the
19 complainant's signature on application forms, failed to correctly and appropriately
20 complete the required replacement form, misinformed the complainant, and made
21 incomplete, inaccurate, or misleading representations. Ms. Cooley Allen categorically
22 denies these allegations. According to Ms. Cooley Allen, the complainant expressed
23 concern that her variable annuity was losing value due to the decline in the stock market
24 and that with her taking a monthly income her annuity would be depleted in a few years.
25
26 Ms. Cooley Allen asserts that the complainant was a client of the co-producer, who is a

1 securities broker; that the co-producer showed the complainant how to conserve the
2 principal along with still receiving a monthly income by exchanging her variable annuity
3 with an indexed annuity; that the complainant who is a tax accountant, said she liked the
4 idea but wanted to discuss it with her son; and that the producers left the paperwork and
5 returned only when the complainant called and asked them to return to finalize the sale,
6 which she did after they explained all the terms and conditions and she confirmed she
7 understood and wanted to buy the product. Approximately six months later, an
8 investment agent for the complainant filed the complaint with the Insurance
9 Commissioner, which resulted in Banker's fully refunding the complainant's monies.
10 Ms. Cooley Allen states that the investment agent, who claimed to have no interest in the
11 matter, then invested the funds for the complainant.
12

13 5. Since issuance of the Insurance Commissioner's revocation order, Ms.
14 Cooley Allen has refrained from writing any annuity transactions, and the Insurance
15 Commissioner has received no additional complaints against Ms. Cooley Allen. Ms.
16 Cooley Allen is currently still contracted as an insurance agent by Bankers, which is
17 licensed to conduct the business of disability and life insurance in the State of
18 Washington pursuant to its Certificate of Authority, WAOIC # 176, NAIC # 61263.
19

20 6. Ms. Cooley Allen does not agree that she violated provisions of the
21 Insurance Code, but because she wishes to put this matter behind her and save attorneys'
22 fees and expenses, she does agree that sufficient facts exist upon which a fact finder
23 could find and conclude that Ms. Cooley Allen violated one or more conditions of the
24 Insurance Code. Ms. Cooley Allen consents to the entry of a final Order which requires
25 her to comply with the terms and conditions set forth below. The Insurance
26

1 Commissioner also consents to settle this matter in consideration of Ms. Cooley Allen's
2 withdrawal of her hearing demand and her compliance with such terms and conditions as
3 are set forth below.

4 7. Pursuant to RCW 48.17.530, Ms. Cooley Allen will be on probation and her
5 Washington producer license will be converted to a probationary insurance producer
6 license. The period of probation for Ms. Cooley Allen and her license will be twenty-four
7 (24) months commencing on the date of entry of the subjoined Order Terminating
8 Proceedings. During the probation period, if any administrative action is taken and a
9 penalty is imposed against any license Ms. Cooley Allen holds with any state, or if Ms.
10 Cooley Allen is convicted of any criminal violation of dishonesty, her probationary
11 Washington resident license may be revoked. Nothing herein shall be construed to limit
12 Ms. Cooley Allen in any way from contesting any such administrative, civil or criminal
13 action up to and including appeal in the state and federal courts. During the probation
14 period, Bankers will act and serve as Ms. Cooley Allen's mentor as outlined in Exhibit A.
15

16 8. If Ms. Cooley Allen's mentor herein is unable or unwilling to perform
17 any responsibilities set forth herein, substitution of another mentor will be required.
18 Any substitution mentor must agree to the terms set forth herein and must notify the
19 Insurance Commissioner in writing of such agreement. Ms. Cooley Allen may not
20 engage in any activities that constitute the business of insurance without having a current
21 mentor during the probation period. The mentor may resign his or her job as mentor
22 only in writing to the Insurance Commissioner, either by US mail (attention Ms.
23 Christine Tribe, Office of Insurance Commissioner, PO Box 40255, Olympia WA
24 98504-0255) or e-mail (Christ@oic.wa.gov). Any such resignation must be provided to
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1 the Insurance Commissioner at least two (2) weeks prior to the effective date of the
2 resignation. Ms. Cooley Allen must immediately – within 24 hours – report to the
3 Insurance Commissioner if her mentor is unwilling or unable to perform the
4 responsibilities set forth herein. If Ms. Cooley Allen engages in any activities that
5 constitute the business of insurance without having a current mentor during the
6 probation period, her insurance producer license will be subject to immediate revocation,
7 and in such instance, Ms. Cooley Allen shall retain only the right to demand a hearing to
8 contest whether she engaged in activities which constitute the business of insurance
9 while her mentor was unwilling or unable to perform the responsibilities set forth herein.

11 9. Ms. Cooley Allen agrees to notify the Insurance Commissioner
12 immediately if she leaves her current employment with Bankers Life & Casualty Company.

13 10. Ms. Cooley Allen must complete ten (10) hours of continuing ethics
14 education courses during her probation period. Ms. Cooley Allen shall submit proof of the
15 completion of such courses to the Insurance Commissioner within thirty (30) days of the
16 end of her probation period.

17 11. Ms. Cooley Allen agrees to accept service of a subpoena and to appear if
18 subpoenaed and testify truthfully in the matter concerning the co-producer.

19 12. By agreement of Ms. Cooley Allen and the Commissioner, Ms. Cooley
20 Allen is fined three thousand five hundred dollars (\$3,500) imposition of two thousand five
21 hundred dollars (\$2,500) of which amount is suspended on the condition that Ms. Cooley
22 Allen commit no further violations of the statutes and regulations that are subject of the
23 final Order for a period of two years from the date the final Order is entered and on the
24 condition that Ms. Cooley Allen otherwise conforms to the terms of this Stipulation and
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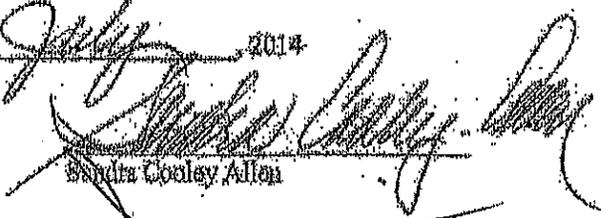
1 subjoined Order Terminating Proceedings. If Ms. Cooley Allen violates the conditions as
2 set forth in the final Order, the suspended portion of this fine may be imposed at the sole
3 discretion of the Insurance Commissioner without any right to a hearing, appeal, and/or
4 advance notice.

5 13. Ms. Cooley Allen's failure to adhere to any of these conditions may
6 constitute grounds for revocation of Ms. Cooley Allen's Washington resident insurance
7 producer license.

8 14. The Amended Order Revoking License number 13-0181 entered November
9 27, 2013, as well as the original Order entered July 13, 2013, shall be rescinded and
10 replaced by the subjoined Final Order Terminating Proceedings.

11 15. The parties agree that the subjoined Final Order Terminating Proceedings
12 may be entered forthwith and without further notice to either party.

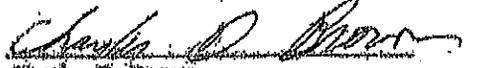
13 WITNESSED this 30th day of July, 2014.

14 
15 Sandra Cooley Allen

16 Approved as to form by Jesse Wang
17 Attorney for Licensee

18 DATED this 7th day of August, 2014.

19 MIKE KREIDLER
20 Insurance Commissioner
21 By and through his designee

22 
23 Charles D. Brawn
24 CIC Senior Insurance Enforcement Specialist
25 Legal Affairs Division
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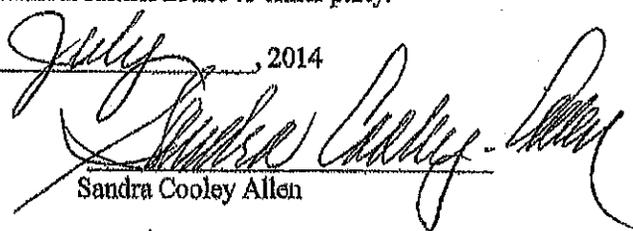
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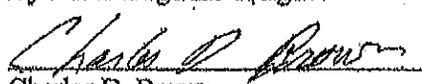
14 SIGNED this 30th day of July, 2014

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17 Sandra Cooley Allen

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19 Approved as to form by Jesse Wing
Attorney for Licensee

20 DATED this 11th day of August, 2014.

21 MIKE KREIDLER
22 Insurance Commissioner
23 By and through his designee

24 
25 Charles D. Brown
26 OIC Senior Insurance Enforcement Specialist
Legal Affairs Division

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ORDER TERMINATING PROCEEDINGS

This matter having come on before the undersigned Hearing Officer of the State of Washington Office of Insurance Commissioner pursuant to the foregoing Stipulation, and the Chief Hearing Officer having reviewed said Stipulation and deeming himself fully advised in the premises, NOW THEREFORE,

IT IS HEREBY ORDERED pursuant to RCW 48.17.530 and the foregoing Stipulation as follows:

1. Order Revoking License No. 13-0181 entered July 12, 2013, and Amended Order Revoking License No. 13-0181 entered November 27, 2013 are hereby vacated.
2. Licensee Sandra Cooley Allen shall comply with the terms of the foregoing Stipulation and is fined \$3,500, \$2,500 of which amount is suspended on the conditions set forth in the foregoing Stipulation.
3. It is hereby ordered pursuant to RCW 48.17.530 and RCW 48.17.560 that Office of Insurance Commissioner Docket Number 13-0181 is hereby closed and dismissed as settled.

SIGNED AND ENTERED THIS 18th day of August, 2014.



Judge George A. Finkle (Ret.), Presiding Officer
Office of Insurance Commissioner.

Approved for Entry/Notice of Presentation Waived:



Jesse Wing, Attorney for Licensee

MIKE KREIDLER
Insurance Commissioner
By and through his designee



Charles D. Brown
Senior Insurance Enforcement Specialist
Legal Affairs Division

EXHIBIT A

Mike Kreidler
Commissioner, Office of the Insurance Commissioner
Washington

Re: Confirmation of monitoring activities for Agent Sandra Cooley-Allen

Dear Commissioner Kreidler:

This letter is to confirm that, at the request of Agent Sandra Cooley-Allen, for a two-year period beginning from the date of the entry of a final order in Docket No. 13-0181 or her contract with Bankers Life is terminated, whichever ends first, Bankers Life will monitor the sales activities of Agent Sandra Cooley-Allen, and submit reports to the OIC, as follows:

- (1) all Bankers annuity applications written by Ms. Cooley-Allen will continue to be reviewed by a Bankers sales manager to ensure compliance with Bankers suitability guidelines prior to being submitted to the home office for processing;
- (2) a Bankers manager will contact each of Ms. Cooley-Allen's annuity applicants to verify the accuracy of the information provided by the applicant on the application and annuity suitability forms;
- (3) a Bankers manager will randomly select and monitor four of Ms. Cooley-Allen's sales calls annually to ensure that she properly identifies herself to the prospect as an insurance agent and explains the purpose of the call; and
- (4) Bankers will notify the OIC of consumer complaints that it receives against Ms. Cooley-Allen.

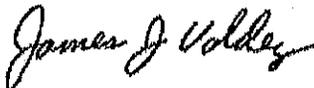
Bankers or one of its' managers will provide a report to the OIC every 6 months on each of the items referenced above. The report will include a list of the policies written by Ms. Cooley-Allen during the previous 6 months. The report may include charts, transaction documents, forms, data summaries, and any other information that Bankers believes will be meaningful to the OIC. All reports will be filed with the OIC within thirty (30) calendar days after the end of each six (6) month period. The first six (6) month period ends six (6) months after the date of entry of the final order. The reports will be submitted to:

Producer Licensing Manager
Office of the Insurance Commissioner
Insurance 5000 Building
P.O. Box 40255
Olympia, WA 98504-0255

Bankers Life understands that the above commitments are required of Ms. Cooley-Allen under a stipulation and consent to order that she has entered into with the OIC and that her failure to cause these monitoring and reporting activities could result in further penalties for her under that order.

Please do not hesitate to contact me if you have any questions on this letter or the reports contemplated above.

Sincerely,



James Valdez