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October 1, 2013

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

Office of Insurance Commissioner
ATTN: Patricia D. Petersen, Chief Hearing Officer
Hearings Unit
P.O. Box 40255
Olympia, WA 98504-0255

Re: No 13-0278 Demand for Hearing

Dear Ms. Petersen,

I received your letter dated September 26th, 2013, which demands a revocation of my insurance producers license. I am requesting a hearing to challenge this action of the Commissioner for the following reasons:

- 1) While the policy was not issued correctly, upon my discovery we made every effort to refund the clients payment and ensure that the end result was no lapse in coverage. In fact, I contacted the OIC upon discovery of the mistake to ensure it was properly remedied.
- 2) I believe I provided the OIC with all requested documents in a timely manner, even reaching out several times to ask if there was anything further I could do.
- 3) In regards to the lapse of license, I reinstated immediately upon discovery.

While I am regretful that this error occurred, it was an unintentional mistake which I have gone to great lengths to ensure can never happen with our Agency again. The client was indemnified not only by getting a full refund, but also we ensured that his coverage was repaired without lapse. I do not believe that revocation of license is warranted.

Sincerely,

Joseph Mehlhoff
234 West Lake Sammamish Parkway SE
Bellevue, WA 98008
206-819-1361
joe@pathins.com



OFFICE OF
INSURANCE COMMISSIONER

In The Matter of

Joseph M. Mehlhoff

Licensee.

NO. 13-0278

ORDER REVOKING LICENSE

To: Joseph M. Mehlhoff
12715 Bel Red Road, Suite 130
Bellevue, WA 98005

Joseph M. Mehlhoff
234 W Lake Sammamish Parkway SE
Bellevue, WA 98008

joe@pathins.com

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your Washington State insurance producer license is **REVOKED**, effective **October 14, 2013**, pursuant to RCW 48.17.530 and RCW 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

Joseph M. Mehlhoff holds a resident insurance producer license (WAOIC #247182) for the lines of life, disability, property, and casualty. Mr. Mehlhoff was originally licensed in 2003. His license lapsed January 12, 2013 and was reinstated April 2, 2013.

In March 2013, the Office of Insurance Commissioner ("OIC") received a complaint from a producer who was providing a professional liability policy quote to a Washington attorney. The producer discovered that the attorney's existing policy purportedly issued by Travelers which had been "placed" by agent Mehlhoff was not valid.

The OIC investigation disclosed that Mr. Mehlhoff received four premium checks from the attorney's firm for professional liability coverage totaling \$2,647.76 between February 2012, and January 2013. Each of these checks was deposited by Mr. Mehlhoff.

The OIC investigation disclosed that Mr. Mehlhoff generated an invoice for this amount listing Travelers Casualty Ins. Co. as the insurer, listing a policy number, and showing the transaction as a surplus line transaction. Mr. Mehlhoff also provided the attorney with a declaration page

showing issuance of a claims made policy with limits of \$1,000,000 per claim, an aggregate limit of \$2,000,000 and a \$2,500 deductible.

The OIC investigation disclosed that Travelers never received the premium and never issued a policy. Travelers advised the OIC that the declaration page supplied to the attorney by Mr. Mehlhoff is not computer generated as a Travelers declaration page would have been and that it is phony.

Griffin Underwriting, the surplus line brokerage purportedly used by Mr. Mehlhoff, was contacted by Mr. Mehlhoff in early 2012 about the risk, but it never received enough information from Mr. Mehlhoff to provide even a quote, it never received any premium, and it did not generate the invoice Mr. Mehlhoff provided to the attorney. Furthermore, Travelers Casualty Ins. Co., the company named on the invoice provided by Mr. Mehlhoff to the attorney, is an admitted insurer, never received any premium for a policy for the attorney, and never issued such a policy.

As a result of Mr. Mehlhoff's above-described conduct, the attorney was without malpractice coverage for approximately 18 months.

Despite numerous requests, Mr. Mehlhoff failed to supply the OIC investigations unit with his bank records pertaining to these transactions.

The OIC's investigation also disclosed that between January 12, 2013 and April 2, 2013, when he was without a valid license, Mr. Mehlhoff placed several Travelers policies for other clients.

By improperly withholding, misappropriating, or converting money or property received in the course of doing insurance business, Licensee violated RCW 48.17.530(1)(h) and RCW 48.30.190, and engaged in dishonest practices and demonstrated untrustworthiness or financial irresponsibility in violation of RCW 48.17.530(1)(h).

By failing to provide a timely response to the inquiry of the Insurance Commissioner, Licensee violated RCW 48.17.475.

By transacting insurance without a license, Licensee violated RCW 48.17.060(1).

By misrepresenting the existence and terms of an insurance policy, Licensee violated RCW 48.30.090.

RCW 48.17.530 allows the Commissioner revoke the license of a producer who violates any insurance law, improperly withholds, misappropriates, or converts any moneys or properties received in the course of doing insurance business, uses fraudulent or dishonest practices or demonstrates incompetence, untrustworthiness, or financial irresponsibility in this state or

ORDER REVOKING LICENSES

No. 13-0278

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elsewhere, or has been found to have committed any insurance unfair trade practice or fraud.

IT IS FURTHER ORDERED that you return your insurance producer's license to the Commissioner no later than three days following entry of this Order, as required by RCW 48.17.530(4).

IT IS FURTHER ORDERED that you return your insurance producer license certificates to the Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4). Return your license to:

Licensing Manager
Office of the Insurance Commissioner
P O Box 40257
Olympia, WA 98504-0257

NOTICE OF YOUR RIGHT TO A HEARING

If you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify the reasons why you think this Order should be changed. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to:

Office of the Insurance Commissioner
Attention Patricia D. Petersen, Chief Hearing Officer
Hearings Unit
P.O. Box 40255
Olympia, WA 98504-0255

ENTERED AT TUMWATER, WASHINGTON, this 26th day of September, 2013.

MIKE KREIDLER
Insurance Commissioner
By



Charles Brown
Legal Affairs Division

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CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

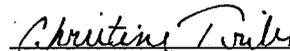
On the date given below I caused to be served the foregoing ORDER REVOKING LICENSES on the following individual via US Mail and Email.

Joseph M. Mehlhoff
12715 Bel Red Road, Suite 130
Bellevue, WA 98005

Joseph M. Mehlhoff
234 W Lake Sammamish Parkway SE
Bellevue, WA 98008

joe@pathins.com

SIGNED this 26th day of September, 2013, at Tumwater, Washington.



Christine Tribe