

Rex Winder, Director of Education
Insurance Training Associates, LLC
4504 SW Corbett Ave. Suite 200
Portland, Oregon 97239

FILED

2016 AUG -1 A 9:35

HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

RE: Insurance Training Associates, LLC
Request for Administrative Hearing

Dear Sir/Madam;

Insurance Training Associates, LLC (ITA), has been charged with multiple Washington Administrative Code (WAC) violations along with a fine of \$1200 and a request to sign a Consent Order acknowledging the violations.

ITA seeks an administrative hearing in order to present its case against this arbitrary and unreasonable action.

ITA would be harmed by the proposed action in the following manner:

- The reputation of ITA would be greatly harmed due to the negative publicity of an administrative action and a fine that would, most likely, appear on a

Washington Department of Insurance Commissioner (WAOIC) website.

- ITA would be further harmed financially from the WAOIC action. The total revenue from continuing education courses (both online and classroom) for 2015 was \$781. A \$1200 fine would be disproportionate and unreasonable.
- ITA answered, in detail, all of the requests for information from the original and subsequent follow-up requests from the WAOIC during the initial inquiry regarding this matter several months ago. In addition, a reasonable explanation was provided for each and every noted item. To continue with this action would require additional time and resources of both the WAOIC and the staff of ITA. This is an unreasonable and unnecessary waste of time.

The result that ITA seeks in response to the WAOIC action(s) is the total elimination of any fine and the dismissal of any administrative actions against ITA. In exchange, ITA would agree to adhere more closely to the Washington Administrative Code as it pertains to approved Washington continuing education providers.

In addition, the following information is submitted:

- WAC 284-17-281. Nothing in this statute states that it is the responsibility of the provider to adhere to these requirements. To the contrary, it appears that it places the responsibility of adherence on the insurance producer to be compliant.
- WAC 284-17-277. Item # 8 states that the provider must maintain: "Completed self-study course exam for each licensee completing a self-study course." ITA has provided the WAOIC a complete list of the exam questions that each student/producer took at the time. The computer, upon completion of the exam, keeps track of the results. If the exam score is 70% or better, the producer has met the requirements for completion. We rely on the computer to determine if each question was answered correctly. To state that: "It is therefore not possible to verify the score" is misleading and incorrect.

In response to the other Basis of the Consent Order, the following is submitted:

Insurance Training Associates, LLC has been an approved provider of online pre-license and continuing education training in Washington for almost 10 years. In an attempt to broaden the scope of the company and create another source of revenue, ITA several years ago elected to pursue classroom training and selected several candidates to become classroom instructors. In addition, ITA submitted to the WAOIC continuing education courses and most were approved.

The education instructors of ITA have secured commitments from several local restoration companies in the Portland, Oregon area to sponsor classroom continuing education courses. A sponsorship means that the restoration company sends out the invites to the producers and pays a fee to the instructor to teach the class. The instructor reports the completed continuing education courses to the proper authorities (WAOIC and State Based Systems for Oregon).

The restoration company may find that a Washington resident producer will respond to an email solicitation to attend a continuing education class and ask to be included. In other cases, the Washington producer simply shows up at a class with the expectation of securing continuing education credits for the class. This action is

not uncommon for the Portland metropolitan area which includes Vancouver, Washington.

It is worth noting that ITA instructors teach approximately 8 CE classes each in the Portland area and another 4 classes in other areas around the State. To have a Washington producer attend a continuing education class is somewhat rare with as few as 1 or 2 per month. It is likely to happen only in the Portland area.

Oregon Department of Financial Regulation does not have any particular rules or regulations pertaining to student/producer class roster, sign-in/sign-out, signature, initials, and identification (this information was submitted to WAOIC at the time of the request for information several months ago). Instructors may not even be aware of a Washington producer attending a continuing education class until such time as the course is submitted for credits. This usually happens when the instructor attempts to report credits to State Based Systems (www.statebasedsystems.com) for an unknown Washington producer and the system disallows it.

It is our belief that no other state border situation exists regarding cross over for resident producer's continuing

education in the State of Washington than that imposed by the Oregon/Washington state line. Washington in its border with Idaho involves mostly rural areas where cross over producers is uncommon. Most of the Oregon border cities are also rural and would not likely have Washington resident producers attend continuing education classes. The Portland area is the most likely area in all of Washington where cross over producers would want to share in continuing education credits.

With respect to the 2 individuals that signed out of a continuing education class 45 minutes early. The instructor has stated that the students most likely signed out and signed in at the same time in order to avoid the possibility of forgetting to sign-out. In addition, the sponsoring restoration company, offered a free BBQ lunch prior to the class so there was some confusion as to when the continuing education class actually started.

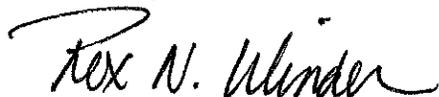
In response to the original WAOIC inquiry, ITA has created a sign-in roster that is an exact duplicate of the WAOIC roster. This roster will be used for all continuing education classes in both Oregon and Washington. In addition, the instructors have been told to ask at the beginning of the class if there are any Washington resident producers in attendance. If there

are, they will be asked to register on a different roster. If, in the event that a student/producer fails to inform the instructor that he/she is a Washington producer, the Oregon roster will still be WAOIC compliant.

It is my understanding that the next step will be to set up a phone conversation. I am requesting that I be given at least a couple of dates and scheduled times in order to properly arrange my schedule.

One final note, every item mentioned in the Consent Order was addressed, in detail, to the WAOIC representative some time ago.

Sincerely,

A handwritten signature in cursive script that reads "Rex N. Winder".

Rex N. Winder

Director of Education

Insurance Training Associates, LLC

4504 SW Corbett, Suite 200

Portland, OR 97239

503-265-8360, cell 971-235-3896

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

TUMWATER OFFICE
P.O. BOX 40280
OLYMPIA, WA 98540-0280
Phone: (360) 725-7000

July 6, 2016

Insurance Training Associates LLC
Rex Winder, CE Program Coordinator
4504 SW Corbett Ave, Ste 200
Portland, OR 97239

COPY

Re: Insurance Training Associates, LLC
Proposed Consent Order Levying a Fine - Order No. 16-0166

Dear Mr. Winder:

The Office of the Insurance Commissioner ("OIC") has found that Insurance Training Associates, LLC ("ITA") has violated a provision of the law(s) that it must follow as part of its responsibilities as a continuing insurance education provider, particularly Chapter 284-17 WAC. The violation(s) are detailed in the enclosed Consent Order Levying a Fine ("Order").

When a violation occurs, the OIC is granted the authority to take action. The action may range from levying a fine under WAC 284-17-302, to suspending or revoking ITA's approval to act as a continuing insurance education provider under WAC 284-17-304.

We are offering ITA an opportunity to settle this matter for a more lenient penalty by signing the enclosed Order and paying a fine. As part of this settlement, ITA will admit its violation, pay the imposed fine, and agree to fully comply with all applicable laws of Washington State going forward.

The deadline to accept the settlement offer and pay the fine is **August 5, 2016**. Please refer to the instructions on the next page. If ITA does not accept the settlement offer by that date, the offer will be withdrawn.

Upon withdrawal of the settlement offer, the OIC can either revoke ITA's approval to act as a continuing insurance education provider, or request a hearing to impose a fine. Alternatively, ITA may request a hearing. If this matter results in a hearing, the OIC is not bound by this settlement offer and may seek a fine in the full amount warranted for ITA's particular situation.

If you have any questions regarding this matter, I can be reached by phone at (360) 725-7048 email at MarciaS@oic.wa.gov.

Sincerely,

A handwritten signature in cursive script that reads "Marcia G. Stickler".

Marcia G. Stickler, JD, LLM
Insurance Enforcement Specialist
Legal Affairs Division

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

INSURANCE TRAINING
ASSOCIATES LLC,

Continuing Insurance Education Provider.

Order No. 16-0166

WAOIC No. 300078

CONSENT ORDER
LEVYING A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, WAC 284-17-302, and RCW 48.17.560, and continuing insurance education provider Insurance Training Associates LLC. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

BASIS:

1. Insurance Training Associates LLC ("the Provider") is an approved insurance continuing education provider, provider number 300078. The Provider is located in Portland, Oregon and offers courses in Oregon and is aware that Washington producers attend some of its courses.

2. The Provider submitted rosters to the Insurance Commissioner and issued certificates for continuing education credit for two producers that signed out of a class 45 minutes early.

3. The Provider issued continuing education credit to two producers that did not sign an attendance register. The instructor of the course wrote a note stating the two producers were in the class so the Provider submitted rosters for the two producers. The Provider also submitted a roster for a producer that had signed an Oregon attendance register that did not meet Washington requirements.

4. The Provider failed to maintain records of exams completed by producers. The Provider had the exam questions but not the answers. The Provider stated that the computer program used grades the exam and provides the score. It does not show the questions marked correctly nor incorrectly. It is therefore not possible to verify the score.

5. WAC 284-17-272 requires continuing insurance education providers to maintain a course attendance roster, consisting of sign-in and sign-out registers, for lecture (classroom) courses, and submit the same in the format required by the Insurance Commissioner. By submitting attendance rosters for insurance producers that did not sign the attendance register, the Provider violated WAC 284-17-272.

6. WAC 284-17-273 provides that a continuing education provider must use an attendance register in the format required by the Insurance Commissioner to document attendance for a classroom and must include the arrival time, signature, and departure time with the attendee's initials. By submitting rosters for two producers who did not sign an attendance register, and for one producer that signed an Oregon attendance register that did not meet Washington requirements, the Provider violated WAC 284-17-273.

7. WAC 284-17-277 provides that insurance continuing education providers must maintain education records. Records include attendance register for each classroom course and webinar course, completed self-study course exam for each licensee completing a self-study course, and a copy of the completed certificate of completion issued to each licensee for an approved continuing education course. By failing to maintain continuing education exam records, the Provider violated WAC 284-17-277.

8. WAC 284-17-281 provides that to verify course completion, licensees must attend the entire presentation and sign the attendance register at the beginning and end of the presentation. By submitting rosters and issuing certificates for education credit to two producers that signed out of the class 45 minutes early, the Provider violated WAC 284-17-281.

9. WAC 284-17-302 gives the Insurance Commissioner authority to impose a fine on a continuing insurance education provider for failing to comply with any statute or rule pertaining to continuing education providers as specified in Titles 48 RCW and 284 WAC.

10. WAC 284-17-304 provides that the Insurance Commissioner's approval of a person, organization or business entity to act as a continuing education provider may be suspended or revoked or the provider may be placed on probation by the Insurance Commissioner if the continuing education provider or any of its employees, instructors or designees involved in continuing education is found to have violated any provision of Titles 48 RCW or 284 WAC.

11. WAC 284-17-306 provides approval of a continuing education course may be suspended or revoked if the Insurance Commissioner concludes that a continuing education provider issues a certificate of completion to a person who did not complete the course.

12. RCW 48.17.560 provides that after hearing or upon stipulation by the insurance education provider, and in addition to or in lieu of the suspension, revocation, or refusal to renew any such insurance education provider approval, the Insurance Commissioner may levy a fine upon the insurance education provider for each offense in an amount not more than one thousand dollars.

13. The Provider's violations of WAC 284-17-272, WAC 284-17-277, and WAC 284-17-281, justify the imposition of a fine on the Provider under WAC 284-17-302 and RCW 48.17.560.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and the Provider agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Provider consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Provider's payment of a fine, and upon such terms and conditions as are set forth below:

1. The Provider acknowledges its duty to comply fully with the applicable laws of the state of Washington.

2. The Provider consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.

3. By agreement of the parties, the Insurance Commissioner will impose a fine of One Thousand Two Hundred Dollars (\$1,200.00) to be paid by **August 5, 2016**.

4. The Provider understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.

5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Provider. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this _____ day of _____, 2016.

INSURANCE TRAINING ASSOCIATES LLC

By: _____

Printed Name: _____

Printed Corporate Title: _____

AGREED ORDER:

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. The Provider shall pay a fine in the amount of One Thousand Two Hundred Dollars (\$1,200.00), receipt of which is hereby acknowledged by the Insurance Commissioner.

2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Provider.

However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED this _____ day of _____, 2016.



MIKE KREIDLER
Insurance Commissioner

By and through his designee

MARCIA G. STICKLER
Insurance Enforcement Specialist
Legal Affairs Division