



OFFICE OF  
INSURANCE COMMISSIONER

*In the Matter of*

**ROBERT S. CHRONISTER,**

*Licensee.*

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No. D 08-0007

**ORDER REVOKING LICENSE**

To: Robert S. Chronister  
3893 Gala Loop  
Bellingham, WA 98226

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your license is **REVOKED**, effective February 12, 2008, pursuant to RCW 48.17.530 and 48.17.540(2).

**THIS ORDER IS BASED ON THE FOLLOWING:**

1. Robert S. Chronister holds an insurance agent's license issued by the Washington State Insurance Commissioner.
2. In lieu of revocation of Robert Chronister's license, by Stipulation and Order No. D05-375 entered October 17, 2005, Licensee was fined for engaging in conduct in 2004 that violated RCW 48.30.040, false, deceptive and misleading representations, RCW 40.30.010(1), unfair or deceptive acts or practices, RCW 48.30.090, misrepresentation of terms of insurance, RCW 48.17.010, attempting to place insurance with a company with which the agent had no appointment, and RCW 48.30.210, false or misleading statements or impersonations relative to applications. Stipulation and Order No. D05-375 is hereby incorporated by this reference into this Order as though fully set forth herein.
3. By letter dated March 21, 2005, the Mutual of Omaha Insurance Company ("Mutual of Omaha") terminated Licensee's Mutual of Omaha Agency Producer Contract, cancelled Licensee's appointment and authorization to represent Mutual of Omaha and its affiliated companies, and instructed Licensee to return all client and prospect information, materials and supplies that are the property of Mutual of Omaha.
4. After his appointment had been terminated and his authority to represent Mutual of Omaha had been cancelled, Licensee continued to hold himself out as a Mutual of Omaha representative. By letter dated August 16, 2005, Mutual of Omaha advised Licensee that Licensee had held himself out as a Mutual of Omaha agent and had sought to replace a Mutual of Omaha customer's policy in violation of his Agency Producer Contract. By letter dated September 19, 2005, Mutual of Omaha advised Licensee of two other customer complaints alleging that Licensee had held himself out as a Mutual of Omaha agent. In both letters Mutual of Omaha instructed Licensee to cease and desist further misrepresentations regarding Mutual of Omaha and Licensee's ability to represent Mutual of Omaha, and again directed the Licensee to return all proprietary materials to the company.

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5. Despite these warnings and instructions, the Licensee continued to hold himself out as a Mutual of Omaha agent, market Mutual of Omaha products, and use Mutual of Omaha's sales materials and applications. In December, 2005, Licensee sold a Mutual of Omaha Medicare Supplement Plan to a resident of Mount Vernon, Washington, who had received policy information and an application by mail directly from the Company. Such a direct company sale would have generated no commission. Licensee falsely stated to the consumer that the direct mail application the consumer had received was illegal in Washington and that Licensee was authorized to represent Mutual of Omaha. Licensee then supplied another Mutual of Omaha Medicare Supplement Plan application, completed the application for the consumer's signature, obtained her premium check payable to Mutual of Omaha, and submitted the application and check through another agent who was appointed by Mutual of Omaha in order to hide the Licensee's involvement in the transaction from Mutual of Omaha.

6. In March, 2006, Licensee again falsely held himself out as a Mutual of Omaha agent and again sold a Mutual of Omaha Medicare Supplement policy to a Washington resident. Licensee again disguised his involvement in the transaction by submitting the application through another agent who was appointed with Mutual of Omaha.

7. Between November 14, 2005 and March 27, 2007, Licensee made false representations to at least eleven insurance companies in order to obtain appointments, which false representations include, but are not limited to, denying that Licensee had been terminated by an insurer for anything other than lack of production, denying that Licensee had ever been the subject of a consumer complaint or proceeding by an insurance regulator body or organization, and denying that Licensee had ever been disciplined or fined by an insurance department.

8. By knowingly making and disseminating false, deceptive and misleading representations in the conduct of the business of insurance, the Licensee violated RCW 48.30.040.

9. By knowingly making false statements and impersonations in or relative to applications for insurance to an insurer, the Licensee violated RCW 48.30.210.

10. By holding himself out as a Mutual of Omaha agent after his agency had been terminated, the Licensee violated RCW 48.17.010 and RCW 48.17.160.

11. By repeating violations which were the subject of Order No. D05-375, the Licensee violated said Order and is subject to the provision in said Order that "future violations on the part of Licensee of the statutes and regulations set forth in the Stipulated Facts and Law herein will result in the permanent revocation of his Washington insurance license."

12. RCW 48.17.530 provides that: (1) The Commissioner may suspend, revoke, or refuse to issue any license . . . for any cause specified in any other provision of this code, or for any of the following causes:

(b) If the licensee . . . willfully violates . . . any provision of this code or any proper order . . . of the commissioner.

(e) If the licensee . . . has, with intent to deceive, materially misrepresented the . . . effect of any insurance contract; or has engaged in . . . any fraudulent transaction.

(h) If the licensee or applicant has shown himself to be, and is so deemed by the commissioner, incompetent, or untrustworthy, or a source of injury and loss to the public.

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By reason of your conduct, you have shown yourself to be, and are so deemed by the commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, your license is revoked pursuant to RCW 48.17.530(1) (b), (e), and (h).

**IT IS FURTHER ORDERED** that you return your insurance agent's and agency license certificates to the Commissioner on or before the effective date of the revocation of your licenses, as required by RCW 48.17.530(4).

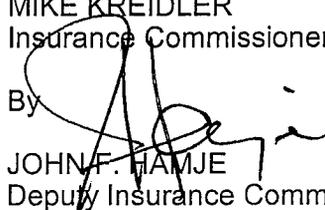
**NOTICE CONCERNING YOUR RIGHT TO A HEARING.** Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 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 briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. 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 Insurance Commissioner, attention John Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 23rd day of January, 2008.

MIKE KREIDLER  
Insurance Commissioner

By

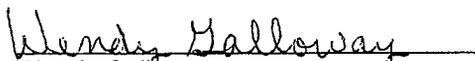
  
JOHN F. HAMJE  
Deputy Insurance Commissioner  
Consumer Protection Division

Investigator: Vic Overholt

**DECLARATION OF MAILING**

I certify under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to **Robert Chronister**.

Dated: January 23, 2008  
at Tumwater, Washington

  
Wendy Galloway

## NOTICE OF YOUR RIGHT TO A HEARING

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your Demand for Hearing should be sent to John F. Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.