

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of **Eric S. Murphy**) **FINAL ORDER**
) Case No. INS 10-10-001

History of the Proceeding

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Eric S. Murphy (Murphy).

On 10/8/10, the director issued a notice of proposed action informing the party that the director proposed to take enforcement action against the party, the party was entitled to a hearing pursuant to ORS 183.415, and if the party wanted a hearing then the party had to send to the director a written request for a hearing so that the director received it by 10/29/10. The notice also informed the party that if a hearing was not conducted then the designated portion of the Insurance Division's file and all materials submitted by the party in this case would automatically become part of the contested case record for the purpose of proving a *prima facie* case.

The director did not receive from the party a request for a hearing and did not conduct a hearing.

The director finds that the record of this proceeding proves a *prima facie* case.

The director now makes the following final decision in this proceeding.

Findings of Fact and Conclusions of Law

Licensing Information

Murphy has been licensed in Oregon as a resident individual insurance producer from 9/10/08 to 9/30/10. On 9/30/10, Murphy's license expired. Murphy's license number is 216563 and NAIC national producer number is 11460850. Murphy's last recorded residence and business address is 8545 SW Garden Lane, Portland, OR

97223-7340; residence telephone number is 503-841-6407; and business telephone number is 503-505-1547.

Provided Incorrect, Misleading, Incomplete or Materially Untrue Information on Insurance License Application

Murphy is subject to enforcement action pursuant to ORS 744.074(1)(a) because of the following circumstances. ORS 744.074(1)(a) permits the director to take any authorized enforcement action against a person who has applied for a license or is licensed in Oregon as an insurance producer if the person provided to the director incorrect, misleading, incomplete or materially untrue information on an Oregon insurance producer license application.

On 8/14/08, Murphy electronically filed with the Insurance Division an application for an Oregon resident individual insurance producer license for the lines of life and health insurance. On the application, Murphy answered “no” to question number one which asked, “Have you ever been convicted of a crime, had a judgement [sic] withheld or deferred, or are you currently charged with committing a crime?” On 9/3/08, Murphy sent an e-mail to the Insurance Division amending the application by deleting the request to be licensed for the line of life insurance. On 12/9/08, Murphy electronically filed with the Insurance Division an application for an Oregon resident individual insurance producer license for the line of life insurance. On the application, Murphy answered “no” to question number one which asked, “Have you ever been convicted of a crime, had a judgement [sic] withheld or deferred, or are you currently charged with committing a crime?” Murphy's answers to the same question on both applications were false because Murphy was convicted on 12/6/00, by the Blaine Washington Municipal Court, in criminal case number C00003982 of committing the crime of driving while license was suspended, and in criminal case number C00003999 of committing the crime of shoplifting.

Made False or Fraudulent Statement on or Relative to an Insurance Application and Forged Person's Name on Application for Insurance or Related Document

Murphy is subject to enforcement action pursuant to ORS 746.100 and ORS 744.074(1)(k) because of the following circumstances. ORS 746.100 prohibits a person from making a false or fraudulent statement or representation on or relative to an application for insurance. ORS 744.074(1)(k) permits the director to take any authorized enforcement action against a person who has applied for a license or is licensed in Oregon as an insurance producer if the person forged another person's name to an application for insurance or to any document related to an insurance transaction.

From 4/30/09 to 7/30/09, Murphy made a fraudulent representation to American Family Life Assurance Company of Columbus (AFLAC) on or relative to eight applications for insurance by knowingly completing the application for a person who did not apply for the insurance including answering questions about person's health and in some instances misstating that the person's address was 8545 SW Garden Lane, Portland, OR 97223 which was actually Murphy's last recorded residence address, completing a payment authorization agreement stating that the premium would be paid from a specified debit card or bank account neither of which belonged to the person purportedly applying for the insurance, and submitting to AFLAC the application and agreement. Murphy received from AFLAC \$1,041.19 in commissions for the fictitious transactions. Additionally, Murphy forged the person's name on each application and payment authorization agreement. Subsequently, when Murphy did not pay any premium, AFLAC terminated each policy. On 2/1/10, AFLAC terminated its appointment of Murphy as an agent of AFLAC because AFLAC determined, after conducting an investigation of Murphy, that Murphy "submitted invalid business with no intent to pay, knowingly submitted applications with false information, and misrepresented his personal history information."

Order

Pursuant to ORS 744.074(1), Murphy's expired Oregon resident individual insurance producer license is revoked on the date of this order.

Notice of Right to Judicial Review

A party has the right to judicial review of this order pursuant to ORS 183.480 and ORS 183.482. A party may request judicial review by sending a petition for judicial review to the Oregon Court of Appeals. The court must receive the petition within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the date the party received the order. If the order was mailed to a party, then the date of service is the date the order was mailed to the party, not the date the party received the order. If a party files a petition, the party is requested to also send a copy of the petition to the Insurance Division by delivering it to the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; or mailing it to PO Box 14480, Salem, OR 97309-0405; or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us.

Dated November 8, 2010

/s/ Teresa D. Miller
Teresa D. Miller
Administrator
Insurance Division
Department of Consumer and Business Services

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