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State revokes Portland insurance agent license

(Salem) — The Oregon Department of Consumer and Business Services (DCBS) recently revoked the licenses of a Portland insurance agent and her agency and fined the agent \$43,714 for misappropriating clients' premium money, being dishonest with clients, and failing to respond to the state's investigation.

The Sept. 18 order revokes the license of Darlene J. Rethwill, an agent who has been licensed in Oregon since September 1990. The department also revoked the license of Rethwill's business, Trautman, Perrin & Hale Insurance, Inc.

"This case underscores the need for consumers to let us know when they suspect wrongdoing on the part of their agent," DCBS Insurance Division Administrator Scott Kipper said. "We have multiple Oregonians who thought they were insured only to find out their agent hadn't purchased the promised insurance or paid premiums on policies."

DCBS initially notified Rethwill on Nov. 21, 2007, that it planned to revoke her license and assess fines. After Rethwill requested a hearing, an administrative law judge in June upheld the proposed revocation of both licenses and the civil penalties. Rethwill filed a final round of objections to some of investigators' findings and DCBS issued its final order on Sept. 18.

Rethwill filed for bankruptcy in U.S. Bankruptcy Court in Portland that same day.

The DCBS Insurance Division investigation discovered that:

- Over a two-year period starting in late 2004, multiple clients gave Rethwill money to purchase insurance or pay insurance premiums. Instead, the agent took the money but either failed to pay premiums or made payments only after repeated calls from clients and after months of delay. In some cases, insurance was never purchased. In other cases, policies were canceled for nonpayment.
- Rethwill told two clients they were insured when they weren't. In one case, she faxed a client "insurance identification cards" representing the client was insured although no insurance was in place. In another, she told a client that an e-mail served as "evidence of coverage for your vehicles" although she had not applied for coverage.
- In 15 instances when DCBS requested information, Rethwill either failed to provide information or provided it late.

The \$43,714 fine includes \$33,714 that Rethwill took from two businesses clients to purchase insurance for various business needs. The specific policies weren't purchased and the money wasn't returned to the clients. The other \$10,000 is for multiple violations of insurance law.

Details of the case are contained in the department's proposed and final orders:
http://insurance.oregon.gov/admin_actions/actions_2008/producer_actions.html

The Portland Police Bureau, meanwhile, announced late last year that it was investigating Rethwill in connection with allegations of theft of insurance premiums. That investigation is ongoing. For details, contact Detective Andy Madden at (503) 823-0450.

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The Insurance Division, part of the Department of Consumer & Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, visit www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.