

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
SEP 21 2011
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
NEAL TODD SHOWN, a licensed)
insurance producer,)
)
Respondent.)

Case No. 10-1147-DIS

FINAL ADMINISTRATIVE ORDER

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through his attorney, Julie Meaders, and alleges and states as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Neal Todd Shown is a licensed resident insurance producer holding license 86592. His address of record with the Oklahoma Insurance Department is RR 1, Box 202, Antlers, Oklahoma 74523-9703.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code. 36 O.S. § 1435.13(A) and (D).

4. If the Insurance Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

FINDINGS OF FACT

1. The Oklahoma Insurance Department was notified by the Texas Department of Insurance on August 11, 2011 that Respondent Neal Todd Shown (“Shown”) had surrendered his Texas license on August 2, 2011 to avoid an administrative hearing for fraudulent and dishonest conduct. The fraudulent and dishonest conduct, committed in both Oklahoma and Texas, was uncovered during an investigation completed by the Corporate Investigative Services (“CIS”) of American National Insurance Company (“ANICO”).

2. The ANICO investigation emanated when Marvin Terry of Sulphur Springs, Texas contacted the customer service department at Standard Life & Accident Insurance Company (SLAICO), a subsidiary of ANICO, requesting that his SLAICO policy be cancelled and his premium of \$151.42 drafted from his bank account on December 21, 2010, be refunded because he did not apply for a life insurance policy with SLAICO.

3. The matter was referred to CIS who determined that the application in Terry’s name for policy #5005911 was received on December 15, 2010 by facsimile from producer Neal Todd Shown, purportedly signed by Terry on December 14, 2010. SLAICO issued the policy with a face value of \$15,000.00 based on the information in the application and telephone interview conducted by SLAICO’s underwriting department.

4. CIS interviewed Terry and received an affidavit from Terry which stated that Terry did not meet with Shown on December 14, 2010; he was not interviewed by anyone

from SLAICO by telephone; and information on the application relating to Terry's year of birth, medication, birth date of his wife Sue Terry, and his telephone number was inaccurate. Further, Terry stated that his signature on the application and related documents were forgeries. Terry stated he was in Point, Texas on December 14, 2010. Review of the telephone recording by the underwriting department revealed that Shown's voice and that purporting to be Terry's voice appeared similar.

5. On January 26, 2011, CIS received an email from SLAICO Life Policy Service forwarding a letter from Kim Lee of Broken Arrow, Oklahoma. Lee sent the letter in response to SLAICO's attempt to draft \$482.76 from her banking account with Chase Bank. Lee stated that she never heard of SLAICO or had insurance with the company.

6. CIS reviewed SLAICO's policy files which disclosed that applications for John D. Lee and Kimberly D. Lee were received by facsimile from producer Shown on January 10, 2011. SLAICO issued policy #50059276 to Mr. Lee on January 12, 2011 and policy #50059284 to Mrs. Lee on January 13, 2011, based on those applications. SLAICO issued both policies with a face value of \$75,000.00. The initial premium for both policies was to be drafted from the Lees' account with Bank One.

7. CIS interviewed the Lees and received a joint affidavit from the Lees which stated that they did not meet with Shown on January 10, 2011 and they did not complete the applications. The Lees did meet with Shown in 1999 and discussed life insurance and may have given him a check for their account with Bank One, which is now Chase Bank. The Lees did not apply for life insurance with SLAICO in 1999.

8. The information on the applications for policies #50059276 and #50059284 relating to the Lees' dates of birth, current home address, telephone number and drivers

licenses was not accurate. The Lees have not lived at the listed address, 1305 N. Hickory Ct. in Broken Arrow since 2000. The signatures on the applications were forgeries.

9. A commission history report for advance commissions paid by SLAICO to Shown revealed he received \$1,568.02 for policy #50059111 issued to Terry; he received \$2826.41 for policy #50059276 issued to John D. Lee; and he received \$2170.91 for policy #50059284 issued to Kimberly Lee. The CIS investigation and affidavits of Mr. Terry and Mr. & Mrs. Lee supported a finding that Shown submitted life insurance applications containing inaccurate personal data and forged signatures to SLAICO on these three individuals in order to be paid advanced commissions totaling \$6,565.24.

10. Investigation by the Oklahoma Insurance Department determined that Shown applied and paid for the renewal of his Oklahoma license on September 6, 2010. The application asks "Since the last renewal have you been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?" Shown answered this question "no".

11. A search of the Oklahoma On Demand Court Records website www.odcr.com revealed that Shown was charged on March 9, 2010 with the felony crime of child endangerment; the felony crime of driving a motor vehicle under the influence of alcohol, a subsequent offense; the misdemeanor crime of possession of a dangerous substance; the misdemeanor crime of unlawful possession of drug paraphernalia; the misdemeanor crime of carrying a firearm while under the influence; the misdemeanor crime of transporting a loaded firearm in a motor vehicle; and the misdemeanor crime of driving while license cancelled/suspended/revoked in Case CF-2010-13 in Pushmataha

County District Court in Oklahoma when he answered the criminal background question on his renewal application “no”

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(1) by providing incorrect, misleading, incomplete or materially untrue information in the license application.

2. Respondent violated 36 O.S. § 1435.13(A)(2) by violating the insurance laws of Oklahoma and Texas.

3. Respondent violated 36 O.S. § 1435.13(A)(3) by obtaining his license through misrepresentation or fraud.

4. Respondent violated 36 O.S. § 1435.13(A)(5) by intentionally misrepresenting the terms of applications for insurance.

5. Respondent violated 36 O.S. § 1435.13(A)(7) by having been found to have committed insurance unfair trade practice or fraud.

6. Respondent violated 36 O.S. § 1435.13(A)(8) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.

7. Respondent violated 36 O.S. § 1435.13(A)(10) by forging another’s name to an application for insurance or to any document related to an insurance transaction.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Administrative Order of Suspension Instanter** entered in this matter on August 12, 2011 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondent’s insurance producer license is hereby

REVOKED. Pursuant to 36 O.S. § 1435.13(D), Respondent is also **FINED** One Thousand Dollars (\$1,000.00) for each occurrence of fraudulent and forged Oklahoma insurance applications, totaling a **CIVIL FINE OF TWO THOUSAND DOLLARS (\$2,000.00)**, payable within thirty (30) days from the date of receipt of this order.

WITNESS My Hand and Official Seal this 21st day of September, 2011.



A handwritten signature in black ink, appearing to read "Paul Wilkening".

PAUL WILKENING
DEPUTY INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail with postage prepaid and return receipt requested on this 21st day of September, 2011 to:

Neal Todd Shown
RR 1 Box 202
Antlers, OK 74523-9703

CERTIFIED MAIL NO: 7008 1830 0003 9411 8399

and a copy was mailed to all appointing insurers/RIRS

and a copy was delivered to:

Leah Scoles
Licensing Division

Rick Wagnon
Anti-Fraud Division


JULIE MEADERS
ASSISTANT GENERAL COUNSEL