

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

JUL 11 2011

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
LORETTA EVON BONDS, a licensed)
resident producer,)
)
Respondent.)

Case No. 11-0252-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act. 36 O.S. §§ 1435.1 et seq. The Oklahoma Insurance Department (the "Department") issued an Order of Suspension Instante on March 24, 2011 alleging Respondent Loretta Evon Bonds ("Bonds") committed insurance fraud by submitting a fabricated invoice to her insurer, as a claim for replacement of her heat and air conditioning unit due to a hailstorm, when the unit was actually out of commission due to its age.

Bonds requested an administrative hearing and the hearing was held before the undersigned Hearing Examiner on May 20, 2011. The Hearing Examiner ordered that the hearing be continued to June 23, 2011 and that additional witnesses be subpoenaed to testify on that date. Petitioner appeared by counsel Julie Meaders. Bonds appeared on May 20, 2011 and waived her right to counsel. Bonds failed to appear on the second day of the hearing. Witnesses were sworn and testified, exhibits were presented and arguments of counsel heard.

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. Loretta Evon Bonds is a licensed resident producer holding license number 81344. Her address of record with the Oklahoma Insurance Department is 2129 NW 113th Street, Oklahoma City, Oklahoma 73120.

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).

FINDINGS OF FACT

1. Respondent Loretta Evon Bonds (“Bonds”) was appointed as an insurance producer with Farmers Insurance and its affiliates (“Farmers”) on August 26, 2003. Farmers issued Bonds a homeowner insurance policy, #093596-08-98, on January 27, 2010, which insured Bonds’ own home located at 2129 N.W. 113th in Oklahoma City, Oklahoma (Petitioner’s Exhibit “2”).

2. Bonds reported a loss to Farmers on her home on May 17, 2010. The loss concerned damage to her home from a hail storm that occurred on May 16, 2010. Farmers assigned claim #1016056586 for Bonds’ claim for damages due to wind and hail. A field inspection was completed by Farmers on May 29, 2010. The inspection noted wind and hail damage to the roof and water damage to some property inside the

home. Bonds received two checks on the date of the inspection for her claim. (Petitioner's Exhibits "3", "4", "5" and "6").

3. An invoice from One Hour Air Conditioning & Heating with the name and telephone number of Perry Edgemon, comfort advisor for One Hour, was faxed to Farmers Insurance on July 2, 2010 as a claim to replace Bonds heat and air unit and an additional window unit due to the same storm. The fax cover sheet was on Bonds' Farmers insurance letterhead. The fax cover sheet had a notation that One Hour Air Conditioning was scheduled to install on July 3, 2010. The total cost to replace was \$9,743.00 (Exhibit "9").

4. Farmers' claim representative Megan Anthony contacted Perry Edgemon, who stated that he gave Bonds a verbal quote to replace her heat and air unit but he did not provide Bonds with a written estimate nor did he complete the work. Edgemon also told Megan Anthony that the heat and air unit needed to be replaced due to its age and hail was not the cause for replacement (Petitioner's Exhibit "7").

5. Anthony sent a copy of the One Hour invoice submitted to Farmers by Bonds to Edgemon for his review. Edgemon reviewed the document and reported to Anthony that the document submitted to Farmers was not a document created by One Hour. Edgemon provided the actual One Hour documents used when selling a heat and air unit to a customer at Farmers request (Petitioner Exhibits "10" and "11").

6. Farmers Special Investigator Allison Penethiere contacted Bonds on July 6, 2010 and discussed the One Hour invoice with her. Bonds stated to Penethiere that the estimate was written by the estimator from One Hour. Penethiere informed Bonds that the One Hour estimator denied providing a written estimate (Petitioner's Exhibit "7").

7. Megan Anthony contacted Bonds on July 16, 2010 to discuss the findings of the fabricated document. Thereafter, Bonds requested that her claim be withdrawn on July 19, 2010 (Petitioner's Exhibits "7" and "12").

8. Farmers terminated Bonds' appointment because she attempted to gain financially by fabricating the One Hour invoice for damage to her heat and air system due to the hail storm, when it was actually out of commission due to its age (Exhibit "13").

9. Jackie Johnson, investigator for the Oklahoma Insurance Department, testified that she interviewed Bonds after receiving a fraud referral from Farmers Insurance. When Johnson asked Bonds about the faxed invoice, Bonds stated that she completed the fax cover sheet but she did not complete the fabricated invoice on the second page. (Tr. pg. 38). Johnson testified that Bonds told her an employee from Oklahoma City Roofing named Adrial completed the fabricated invoice and submitted it to Farmers on Bonds behalf (Tr. pg. 42-43).

10. Bonds testified that Edgemon left a written estimate at her house on a document but it was not the same document submitted to Farmers. Bonds testified she stapled Edgemon's business card to that document. Bonds testified that she completed a portion of the fax cover sheet but she was not the person who sent the fax. Bonds further testified that she gave the document left by Edgemon to an employee of Oklahoma City Roofing named Adrial who submitted it to Farmers on her behalf (Tr. pg. 55, 56).

11. Bonds testified that Oklahoma City Roofing was the contractor who repaired the outside of her home, painted her home, repaired her chimney and windows but did not replace her roof after the hailstorm (Tr. pg. 60-61, 64-65).

12. Perry Edgemon testified that he is employed to sell heat and air replacement units. Edgemon testified that he was called out to Bonds' home for a quote to replace her heat and air unit. Edgemon testified there was no discussion between him and Bonds regarding hail damage being the cause of replacement. Edgemon testified that the first thing Bonds pointed out to him was the furnace located inside the house. He testified that the furnace doors were open and that it appeared that the age of the blower motor was the cause for it not working.

13. Edgemon further testified that he wrote down figures on his survey and that Bonds wrote the same figures down on a piece of her mail. Edgemon testified that he took his survey with him and the only item he left with Bonds was his business card. He called her a few days later and asked if she had made a decision to use One Hour to replace her unit. Bonds stated that she needed to work on her finances first.

14. Edgemon testified that the One Hour document submitted to Farmers was not a form used by One Hour nor was the handwriting on the form his handwriting. Edgemon also testified that the estimate figure he wrote down on his survey was not the same estimate figure as what was submitted to Farmers because he did not include the replacement cost of Bonds' window air conditioning unit.

15. Crystal Hanks testified that she is the chief financial officer at Oklahoma City Roofing and that she maintains all business records related to customers. Hanks testified that Oklahoma City Roofing has no records indicating that any type of work was ever completed for Loretta Bonds.

16. Hanks testified that Oklahoma City Roofing does not submit invoices on behalf of other contractors to their customers' insurance companies unless the insurance

claim involves overhead and profit. Hanks testified that Oklahoma City Roofing has never worked with One Hour Air Conditioning & Heating on a job or submitted an invoice to a customer's insurance company on its behalf. Hanks testified that Oklahoma City Roofing has never employed a woman by the name of Adrial.

CONCLUSIONS OF LAW


The evidence is clear and convincing that Loretta Evon Bonds committed insurance fraud by submitting a fraudulent claim for damages to her insurer in violation of 36 O.S. § 1435.13(A)(7). The evidence is clear and convincing that Bonds used fraudulent and dishonest practices in submitting the fraudulent claim and further, the evidence is clear and convincing that her testimony under oath demonstrates her untrustworthiness, all in violation of 36 O.S. § 1435.13(A)(8).

ORDER

IT IS THEREFORE ORDERED THAT THE RESPONDENT LORETTA EVON BONDS BE FINED ONE THOUSAND DOLLARS (\$1,000.00), PAY HEARING COSTS OF FIVE HUNDRED DOLLARS (\$500.00) AND BONDS' INSURANCE PRODUCER LICENSE IS HEREBY REVOKED.

Done this 5th day of July, 2011.





LEAMON FREEMAN
INDEPENDENT HEARING EXAMINER
OKLAHOMA INSURANCE DEPARTMENT

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 11th day of July, 2011 to:

Loretta Evon Bonds
2129 NW 113th Street
Oklahoma City, Oklahoma 73120.

CERTIFIED MAIL NO: 7008 1830 0003 9410 9991

and a copy was mailed to all appointing insurers/RIRS

and a copy was delivered to:

Leah Scoles
Licensing Division

Rick Wagnon/Jackie Johnson
Anti-Fraud Division



JULIE MEADERS
ASSISTANT GENERAL COUNSEL

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICE USE

7008 1830 0003 9410 9991

Postage \$
 Certified Fee
 Return Receipt Fee
 (Endorsement Required)
 Restricted Delivery Fee
 (Endorsement Required)
 Total Post:



Postmark Here

Sent to
 Street, Apt. #
 or PO Box #
 City, State, Z

Loretta Evon Bonds
 2129 NW 113th Street
 Oklahoma City, Oklahoma 73120
 sms/11-0252-DIS/Final Ord.

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Loretta Evon Bonds
 2129 NW 113th Street
 Oklahoma City, Oklahoma 73120
 sms/11-0252-DIS/Final Ord.

2. Article Number
 (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

Agent

Addressee

B. Received by (Printed Name)

Loretta Evon Bonds

C. Date of Delivery

7/12/11

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT

JUL 14 2011

Legal Division

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

7008 1830 0003 9410 9991