

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED

MAY 03 2011

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,)

Petitioner,)

v.)

JEFFREY R. JOHNSON, a licensed resident producer,)

Respondent,)

Case No. 11-0399-DIS

**CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, and alleges and states as follows:

JURISDICTION AND AUTHORITY

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. Respondent Jeffrey R. Johnson is licensed by the State of Oklahoma as a resident producer holding license number 115551. His address of record is 5801 E. 41st Street, Tulsa, OK 74135-5600.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Producer Licensing Act and/or may levy a civil penalty of \$100.00 to \$1,000.00 for each violation of the Producer Licensing Act. 36 O.S. § 1435.13(A).

ALLEGATIONS OF FACT

1. Kande Leist complained to the Consumer Assistance/Claims Division of the Oklahoma Insurance Department on January 7, 2011. Ms. Leist stated that she incurred property damage to her gas line due to the negligence of Tulsa Civil Contractors while it was repairing Leist's neighbor's sewer line.

2. Leist had previously spoken with Joe Deere, a partner in Tulsa Civil Contractors, who named Jeffrey R. Johnson as his insurance producer. Deere told Leist that he did not know the name of his general liability carrier or the policy number but to contact Johnson.

3. Leist contacted Johnson several times requesting information as to the general liability carrier for Tulsa Civil Contractors. Johnson refused to divulge the information stating that Joe Deere told Johnson the company was not at fault and did not want to turn in a \$1,500.00 claim to its general liability carrier when the company's property damage deductible was \$5,000.00.

4. Kent Humphrey, a property & casualty analyst in the Consumer Assistance Division, was assigned Leist's complaint. Humphrey sent a letter of inquiry to Jeffrey R. Johnson on January 11, 2011 (Exhibit "A"). The letter was sent to Johnson's address of record with the Oklahoma Insurance Department: 5801 E. 41st Street, Tulsa, OK 74135-5600.

5. The letter of inquiry stated that 36 O.S. § 1250.4(B) of the Oklahoma Insurance Code requires an adequate written explanation from insurers, producers and third party administrators within thirty (30) days from the date of the letter. The letter was returned on January 21, 2011 because Johnson had failed to update his address

information with the Oklahoma Insurance Department. To date, Johnson has failed to update his information.

6. Johnson did not respond within thirty (30) days. Kent Humphrey telephoned Johnson on January 21, 2011 and was told that the office had moved to 1719 S. Baltimore, Tulsa, Oklahoma 74119. Humphrey thereafter sent the Leist complaint to Johnson's office via facsimile (Exhibit "B").

7. Johnson did not respond to the facsimile sent January 21, 2011 within thirty (30) days. Humphrey then telephoned Johnson and left a voice mail for a return call on March 7, 2011. Humphrey sent another letter on March 7, 2011 which stated that Johnson had not replied to the January 21, 2011 inquiry and requested immediate attention to the matter (Exhibit "C").

8. Humphrey spoke with Johnson on March 8, 2011. Johnson stated that he was not required to divulge the name of his customer's insurance company. Johnson agreed to respond to the complaint the next day.

9. Johnson responded by e-mail on March 14, 2011 with excuses as to why he had not responded to the January 21, 2011 fax request. Johnson further stated that he could not divulge the name of the insurance company because his customer requested that he not do so and that it might be a violation of confidentiality laws.

10. Humphrey received the requested name of the insurance company, American Casualty Company, and a copy of the insurance policy from Johnson's office on March 15, 2011. Humphrey then sent a letter of inquiry to American Casualty Company on March 17, 2011.

11. Johnson sent an e-mail on March 30, 2011 to Humphrey, stating that the

Leist claim was first reported to him on December 13, 2010.

12. Humphrey received a letter from Gabriel Flores, Claims Manager for CNA on behalf of its affiliate, American Casualty Company, on April 11, 2011. Mr. Flores stated that prior to Humphrey's March 17, 2011 letter; CNA had no knowledge of Leist's claim or damage. CNA opened an investigation on March 28, 2011 and is still investigating the claim to make a liability determination.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.8(F) by failing to inform the Insurance Commissioner of a change of address within thirty (30) days of the change.

2. Respondent violated 36 O.S. § 1250.4(B) by failing to respond to an inquiry of the Insurance Commissioner within thirty (30) days from the date of inquiry.

3. Respondent violated 36 O.S. § 1250.6(A) by failing to acknowledge the receipt of a claim within thirty (30) days of notification.

4. Violation of 36 O.S. §§ 1435.(8)(F), 1250.4(B) and 1250.6(A) constitutes violation of 36 O.S. § 1435.13(A)(2).

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. § 1435.13(A)(2) and as a result **Respondent is FINED** in the amount of **FIVE HUNDRED DOLLARS (\$500.00)**. **Fine to be paid within thirty (30) days of receipt of this Order**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent

requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Julie Meaders, Oklahoma Insurance Department, Legal Division, 5 Corporate Plaza 3625 NW 56th St. Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. § 250-323. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 3rd day of May, 2011.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Julie Meaders

Julie Meaders
Assistant General Counsel
5 Corporate Plaza
3625 NW 56th St. Suite 100
Oklahoma City, Oklahoma 73112
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order and Notice of Right to be Heard was mailed by certified mail with postage prepaid and return receipt requested on this 3rd day of May, 2011 to:

Jeffrey R. Johnson
1719 S. Baltimore
Tulsa, OK 74119

CERTIFIED MAIL NO: 7008 1830 0003 9411 7378

and that notification was sent to:

NAIC/RIRS

and that a copy was delivered to:

Leah Scoles
Licensing Division

Jason Johnston
Consumer Assistance Division



Julie Meaders

7008 1830 0003 9411 7378

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

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

OFFICIAL USE

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



Total Postage & **Jeffrey R. Johnson**

Sent To **1719 S. Baltimore**

Street, Apt. No., or PO Box No. **Tulsa, OK 74119**

City, State, ZIP+4 **11-0399-Djs/JAM (rt)**
and admin-order

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:

Jeffrey R. Johnson
 1719 S. Baltimore
 Tulsa, OK 74119

11-0399-DIS (DTRM) (M1)
 Cond. Admin. Ord.

OKLAHOMA INSURANCE DEPARTMENT

MAY 09 2011

Legal Division

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *J. Orup*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

5-4-11

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7008 1830 0003 9411 7378

Governor
Brad Henry



Insurance Commissioner
Kim Holland

Oklahoma Insurance Department
State of Oklahoma

January 11, 2011

JEFFREY R JOHNSON
5801 E 41ST ST STE 601
TULSA OK 74135-5600

Re: KANDE LEIST
OID FILE NUMBER: 200016595

Dear Jeffery R. Johnson:

Enclosed you will find a copy of a Request for Assistance we have received from the above inquirer. Please review this correspondence and advise this office of your position. We ask that you use our file number on all correspondence concerning this inquiry.

Section 1250.4 (B) of the Oklahoma Insurance Code requires that your company provide this Department with an adequate written explanation regarding your position taken in this matter. Your response must be received by this office no later than thirty (30) days from the date of this letter.

Your response must include the full name of the insuring company and the corresponding NAIC company code. This will ensure that we associate the record of the complaint with the appropriate entity.

We also request that you provide a copy of the policy in question, and further request that you provide a specific contact person who will be handling this matter, their direct telephone number and e-mail address.

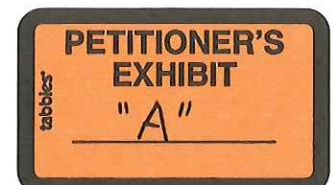
Thank you in advance for your assistance and your timely response. This department looks forward to working with you in resolving the insurance problems of this consumer.

Regards,

A handwritten signature in black ink, appearing to read "Kent E. Humphrey".

KENT E HUMPHREY, BSBA, CISR
Property & Casualty Claims Analyst
Consumer Assistance/Claims Division
405-521-2991

Enclosure





OKLAHOMA DEPARTMENT OF INSURANCE
INSURANCE COMMISSIONER
KIM HOLLAND

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Jeffrey R Johnson	Kent Humphrey
COMPANY:	DATE:
Jeffrey R Johnson	1/21/2011
FAX NUMBER:	PHONE NUMBER:
918-665-3041	405-521-2991
RE:	NO. OF PAGES INCLUDING COVER:
OID File Number: 200016595	4

Message:



Governor
Mary Fallin



Insurance Commissioner
John D. "Okie" Doak

Oklahoma Insurance Department
State of Oklahoma

March 7, 2011

JEFFREY R JOHNSON
5801 E 41ST ST STE 601
TULSA OK 74135-5600

Re: KANDE LEIST
OID FILE NUMBER: 200016595

Dear Jeffrey R. Johnson:

This letter is in reference to our recent inquiry regarding the referenced matter, a copy of which is attached for your easy reference.

Our files indicate that we have not received a reply to our inquiry. Please be advised that failure to furnish the Insurance Department with an adequate response to any inquiry within thirty (30) days from the date of the inquiry constitutes violation of 36 O.S. §1250.4.

Please give this matter your immediate attention and forward your reply so this office can evaluate your position and reply to the complainant.

Sincerely,

KENT E HUMPHREY, BSBA, CISR
Property & Casualty Claims Analyst
Consumer Assistance/Claims Division
405-521-2991

