



4. If a hearing is requested by the RRG, the Insurance Commissioner, pursuant to Okla. Admin. Code § 365:1-7-5, upon written request reasonably made by a person affected by the hearing and at such person's expense, shall cause a full stenographic record of the proceedings to be made by a competent court reporter.

5. If a hearing is requested by the RRG, the Insurance Commissioner, pursuant to 36 O.S. § 319, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and who will preside over that hearing.

#### **FINDINGS OF FACT**

1. Pursuant to 36 O.S. § 311A.4, the RRG shall have an annual audit by an independent certified public accountant and shall file an audited financial report with the Insurance Commissioner on or before June 1 for the year ended December 31 immediately preceding.

2. The RRG failed to file its audited financial report on June 1, 2012, and has continued to fail to file this report despite repeated requests from the Insurance Commissioner's staff.

#### **CONCLUSIONS OF LAW**

1. The Company has violated its responsibilities under 36 O.S. § 311A.4 by failing (1) to have an annual audit by an independent certified public accountant, and (2) to file an audited financial report with the Insurance Commissioner on or before June 1 for the year ended December 31, 2011 immediately preceding.

2. Pursuant to 36 O.S. § 319 (B), any insurer who fails without reasonable cause and permission of the Insurance Commissioner to timely file any statement required by the

Oklahoma Insurance Code shall be subject, after notice and opportunity for hearing, to a fine censure, suspension or revocation of its Certificate of Authority as an Oklahoma domiciliary.

**ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that the RRG shall:

- (1) Pay a fine of \$2,500 pursuant to 36 O.S. § 619 (B) which shall be mitigated to \$1,000 if Respondent files its audited financial statement in a form acceptable by the Insurance Commissioner by September 17, 2012.
- (2) If the RRG does not take such actions, the consequences are described in the following and further Orders, Judgments and Decrees below.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Order is a Conditional Order. Unless the RRG requests a hearing with respect to the Findings 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 of this Order. Such request for a hearing, if desired, shall be made in writing, addressed to Kelley C. Callahan, Senior Attorney, Oklahoma Insurance Department, 3625 NW 56<sup>th</sup> Street, Suite 100, Oklahoma City, Oklahoma, 73112 and must be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on any such requested hearing will be conducted in accordance with the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 through 403. If the Company serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as a notice of the matters to be reviewed at the hearing, and the Findings, Conclusions, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing, at which the Insurance Commissioner will seek the full penalties available at law including

suspension or revocation under 36 O.S. §619 (A) and fine of \$5,000 in addition to or in lieu of any sanction under 36 O.S. § 619(B).

WITNESS My Hand and Official Seal this 28<sup>th</sup> day of August, 2012.



A handwritten signature in black ink, appearing to read "Kelley C. Callahan".

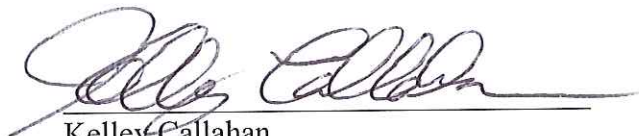
Kelley C. Callahan, OBA No. 1429  
Senior Attorney  
Oklahoma Insurance Department

**CERTIFICATE OF MAILING**

I, Kelley Callahan, hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order was mailed postage prepaid with return receipt requested on this ~~30th~~ <sup>29th</sup> day of August, to:

Robert N. Clemens  
Vehicular Service Insurance Company, RRG.  
2007 Poole Drive NW  
Huntsville, AL 35810-3891

And that a copy was delivered to the Oklahoma Insurance Department Financial and Examination Division.

  
Kelley Callahan  
Senior Attorney

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

7001 0320 0003 9967 8148

OFFICIAL USE

Postage \$		Postmark Here <b>AUG 29 2012</b>
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage</b>		
Sent To	Robert N. Clemens Vehicular Service Insurance Company, RRG. 2007 Poole Drive NW Huntsville, AL 35810-3891 sms/12-0770-DIS/Cond. Ord.	
Street, Apt. # or PO Box No		
City, State, Z		

PS Form 3800, January 2001

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature                  X <i>Ashtley Lowe</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <i>Ashtley Lowe</i></p> <p>C. Date of Delivery  <i>8/31/12</i></p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;">                 Robert N. Clemens                  Vehicular Service Insurance Company, RRG.                  2007 Poole Drive NW                  Huntsville, AL 35810-3891                  sms/12-0770-DIS/Cond. Ord.             </div>	<p>RECEIVED                  OKLAHOMA INSURANCE DEPARTMENT                  Legal Division</p> <p>SEP 10 2012</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>2. Article Number                  (Transfer from service label)</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>7001 0320 0003 9967 8148</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>