

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**  
APR 11 2014  
INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,  
  
Petitioner,  
  
vs.  
  
AIG PROPERTY CASUALTY COMPANY,  
a licensed foreign insurer in the State of  
Oklahoma,  
  
Respondent.

Case No. 14-0269-DIS

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

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

**JURISDICTION**

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

2. Respondent AIG Property Casualty Company (“Respondent”) is a licensed foreign insurer in the State of Oklahoma holding certificate of authority 1280 and NAIC CoCode 19402. Its statutory mailing address is 2595 Interstate Drive, Suite 103, Harrisburg, PA 17110.

**ALLEGATIONS OF FACT**

1. On or about January 28 2014, Max B. Cremer II complained to the Department on behalf of Elcentro LLC that Respondent had used inappropriate payroll classification codes which resulted in incorrect workers compensation premium for Elcentro’s workers compensation

policy with Respondent's subsidiary Commerce and Industry Insurance Company. The Department's Consumer Assistance Division mailed a letter to Respondent dated February 6, 2014, requesting it provide the Department with an adequate written explanation of its position in the matter within thirty (30) days, pursuant to 36 O.S. § 1250.4(B).

2. On February 25, 2014, the company requested an extension of time until March 7, 2014 to reply to the complaint. The Consumer Assistance Division did not agree to the extension. On March 7, 2014, the company requested an additional extension of time until March 14, 2014 to reply to the complaint.

3. Jason Johnston, Senior Claims Analyst, replied via email on March 7, 2014 that the repeated delays were unacceptable. The company finally provided its response on March 13, 2014.

### **CONCLUSIONS OF LAW**

1. Every agent, adjuster, administrator, insurance company representative, or insurer upon receipt of any inquiry from the Commissioner shall, within thirty (30) days from the date of the inquiry, furnish the Commissioner with an adequate response to the inquiry. 36 O.S. § 1250.4(B).

2. Respondent has violated 36 O.S. § 1250.4(B) by failing to furnish an adequate response to an inquiry from the Commissioner within thirty (30) days.

### **ORDER**

**IT IS THEREFORE ORDERED that Respondent is fined in the amount of Five Hundred Dollars (\$500.00). The fine is to be submitted to the Oklahoma Insurance Department within thirty (30) days of the date of this Order.**

Respondent is further notified that it may request a hearing within thirty (30) days of the

receipt of this Order and upon such request a hearing shall be conducted before an independent hearing examiner. A request for hearing shall be made in writing to Julie Meaders, Deputy General Counsel, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Suite 100, Oklahoma City, Oklahoma 73112, and shall state the basis for the request.

The hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq. and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 et seq. If Respondent does not request a hearing within 30 days of receipt of this Order, it shall become a **FINAL ORDER** on the 31<sup>st</sup> day following said receipt. If Respondent timely serves a request for hearing, this Conditional Order shall act as a notice of the matters to be reviewed at the hearing and the Allegations of Fact, Alleged Violations of Law, and penalty imposed in this Conditional Order shall be considered withdrawn, pending final resolution of this matter through hearing.

WITNESS My Hand and Official Seal this 17<sup>th</sup> day of April, 2014.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Julie Meaders  
Julie Meaders  
Deputy General Counsel  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma 73112  
(405) 521-2746

**CERTIFICATE OF SERVICE**


I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order was mailed certified, return receipt requested, on this 11<sup>th</sup> day of April, 2014 to:

AIG Property Casualty Company  
2595 Interstate Drive, Suite 103  
Harrisburg, PA 17110

Certified Mail No.  
7001 0320 0004 4249 5050

and a copy was delivered to:

Consumer Assistance Division

  
\_\_\_\_\_  
Julie Meaders

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

7001 0320 0004 4249 5050

OFFICIAL

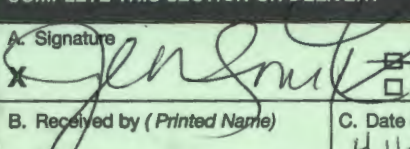
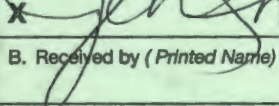


Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	\$

Sent To  
 Street, Apt. No.,  
 or PO Box No.  
 City, State, ZIP+4

AIG Property Casualty Company  
 2595 Interstate Dr., Suite 103  
 Harrisburg, PA 17110  
 rlg/14-0269-DIS/Cond. Adm. Ord.

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  </p> <p>B. Received by (Printed Name)  </p> <p>C. Date of Delivery                  4-16-14</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes                  If yes, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">RECEIVED                  OKLAHOMA INSURANCE DEPARTMENT                  APR 22 2014                  Legal Division</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;">                     AIG Property Casualty Company                      2595 Interstate Dr., Suite 103                      Harrisburg, PA 17110                      rlg/14-0269-DIS/Cond. Adm. Ord.                 </div>	<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>2. Article Number                  (Transfer from service label)</p> <p style="text-align: center;">7001 0320 0004 4249 5050</p>	<p>4. Restricted Delivery? (Extra Fee)    <input type="checkbox"/> Yes</p>
<p>PS Form 3811, February 2004    Domestic Return Receipt    102595-02-M-1540</p>	