BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner, Petitioner, vs.	)	
	)	Case No. 15-0539-DIS
ATLANTIC SPECIALTY INSURANCE COMPANY, a licensed insurance company doing business in the State of Oklahoma, Respondent.	)	

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, Dan R. Byrd, 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. §§ 101-7301, and 85A O. S. § 31(D) of the Administrative Workers' Compensation Act.

2. Respondent Atlantic Specialty Insurance Company ("Respondent") is a licensed insurance company doing business in the State of Oklahoma holding NAIC number 27154.

FINDINGS OF FACT

1. 85A O.S. § 31(D) provides that "Any mutual or interinsurance association, stock company, or other insurance company, which is subject to regulation by the Insurance Commissioner, or CompSource Oklahoma failing to make payments required in this act promptly and correctly, and failing to report payment of the same to the Insurance Commissioner within ten (10) days of payment shall be subject to administrative penalties as allowed by law, including but not limited to a fine in the

amount of Five Hundred Dollars ($500.00) or an amount equal to one percent (1%) of the unpaid amount, whichever is greater, to be paid to the Insurance Commissioner."

2. On Thursday, February 19, 2015, the Oklahoma Insurance Department ("Department") sent a Notice Of Potential Penalty via e-mail to Respondent advising Respondent that the Department had not received the Workers' Compensation Multiple Injury Trust Fund Assessment Report filing required by 85A O.S. § 31(D) for the Quarters ending 12/31/2014, 9/30/2014 and 3/31/2014 (the "Notice"). A copy of the Notice of Potential Penalty for the Quarters ending 12/31/2014, 9/30/2014 and 3/31/2014 is attached hereto and incorporated by reference as Exhibit "1".

3. The Notice advised Respondent that the Department was giving it the opportunity to correct the non-compliance by immediately providing the Department with (a) a copy of the WC-10 MITF Assessment Report (includes zero premium reports) for the applicable quarter(s) filed with the Oklahoma Tax Commission, and (b) a copy of the applicable quarter(s) check(s) (if payment was due) that was paid to the Oklahoma Tax Commission.

4. The Notice further advised Respondent to provide the documents referenced above within 15 days by e-mail (Jeanette.pearce@oid.ok.gov), by fax (405-522-2640) or mail to: Oklahoma Insurance Department, ATTN: Financial Division, 3625 NW 56th St. Ste. 100, Oklahoma City, OK 73112-4511.

5. Finally the Notice informed Respondent that should a violation of Title 85A O.S. § 31(D) be confirmed by the Department, Respondent will be subject to administrative penalties as allowed by law, including but not limited to a fine in the amount of Five Hundred Dollars ($500.00) or an amount equal to one percent (1%) of the unpaid amount, whichever is greater, to be paid to the Insurance Commissioner.

6. As of the date of this Order, Respondent has failed to report payment to the Department as required by 85A O.S. § 31(D) and submit the requested documents to the Department for the quarter ending 12/31/2014.

7. Respondent submitted its report of payment as required by 85A O.S. § 31(D) for the quarter ending 9/30/2014 late to the Department on 12/16/2014, which was due on 10/25/2014.

8. Respondent submitted its report of payment as required by 85A O.S. § 31(D) for the quarter ending 3/31/2014 late to the Department on 5/12/2014, which was due on 4/25/2014.

CONCLUSIONS OF LAW

1. Respondent has violated 85A O.S. § 31(D) for failing to report payment to the Department as required by 85A O.S. § 31(D) and submit the requested documents to the Department.

9. Pursuant to 85A O.S. § 31(D), "Any mutual or interinsurance association, stock company, or other insurance company, which is subject to regulation by the Insurance Commissioner, or CompSource Oklahoma failing to make payments required in this act promptly and correctly, and failing to report payment of the same to the Insurance Commissioner within ten (10) days of payment shall be subject to administrative penalties as allowed by law, including but not limited to a fine in the amount of Five Hundred Dollars ($500.00) or an amount equal to one percent (1%) of the unpaid amount, whichever is greater, to be paid to the Insurance Commissioner."

ORDER

IT IS THEREFORE ORDERED that Atlantic Specialty Insurance Company is **FINED** One Thousand Five Hundred Dollars ($1, 500.00).

Respondent is further notified that it may request a hearing within thirty (30) days of the receipt of this Order concerning this action, and upon such request, the Oklahoma Insurance Department shall

conduct a hearing before an independent hearing examiner. A request for hearing shall be made in writing to Dan R. Byrd, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112, and **state the basis for requesting the hearing**.

If Respondent does not request a hearing within the thirty (30) days allotted, this Order shall become a FINAL ORDER on the 31st day following the receipt of the Order and the fines ordered herein shall be due.

WITNESS My Hand and Official Seal this 20th day of May, 2015.

JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Dan R. Byrd
Assistant General Counsel
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma, 73112
Tel. (405) 522-6330
Fax (405) 522-0125

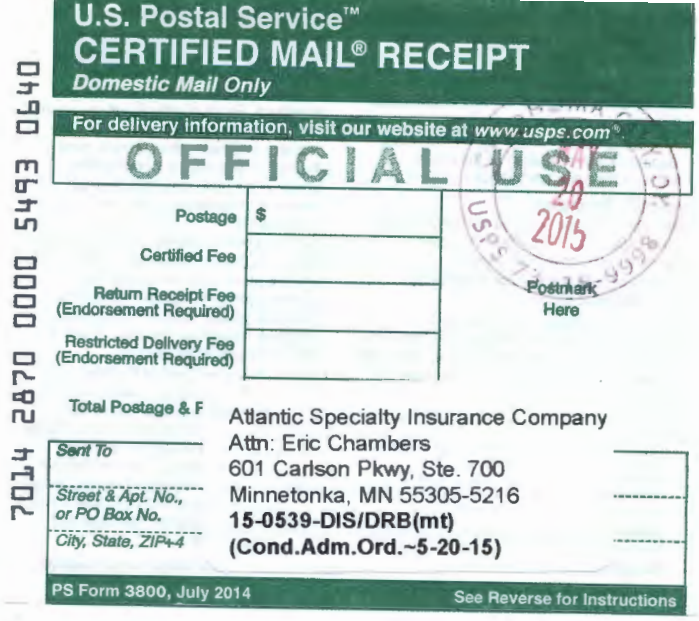
CERTIFICATE OF MAILING

I 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 certified, return receipt requested, on this 20th day of May, 2015, to:

Atlantic Specialty Insurance Company
Attn: Eric Chambers
601 Carlson Pkwy, Ste 700
Minnetonka, MN 55305-5216

CERTIFIED MAIL NO:
7014 2870 0000 5493 0640

Dan R. Byrd



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20 2015

Sent To
Atlantic Specialty Insurance Company
Attn: Eric Chambers
Street & Apt. No., or PO Box No.
601 Carlson Pkwy, Ste. 700
City, State, ZIP+4
Minnetonka, MN 55305-5216
15-0539-DIS/DRB(mt)
(Cond.Adm.Ord.~5-20-15)

PS Form 3800, July 2014 — 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:

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
JUN 01 2015
Legal Division

Atlantic Specialty Insurance Company
Attn: Eric Chambers
601 Carlson Pkwy, Ste. 700
Minnetonka, MN 55305-5216
15-0539-DIS/DRB(mt)
(Cond.Adm.Ord.~5-20-15)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by *(Printed Name)*
C. Date of Delivery
5/26/15

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

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7014 2870 0000 5493 0640

PS Form 3811, July 2013 — Domestic Return Receipt

Jeanette Pearce

From: Jeanette Pearce
Sent: Thursday, February 19, 2015 4:37 PM
To: 'dclancy@onebeacon.com'; 'echambers@onebeacon.com'
Subject: ATLANTIC SPECIALTY INSURANCE COMPANY, NAIC 27154

ATLANTIC SPECIALTY INSURANCE COMPANY, NAIC 27154
ATTN TAX COMPLIANCE DEPARTMENT

NOTICE OF POTENTIAL PENALTY
For the Quarter ending 12/31/2014, 9/30/2014 & 3/31/2014

The Oklahoma Insurance Department (the "Department") has not received the Workers' Compensation Multiple Injury Trust Fund Assessment Report filing required by 85A O.S. § 31(D). Although it appears you are in violation of the law, the Department is providing you with an opportunity to correct that non-compliance.

To assure your compliance with 85A O.S. § 31(D) you must immediately provide the Department with the following documents:

- a copy of the WC-10 MITF Assessment Report (includes zero premium reports) for the applicable quarter(s) filed with the Oklahoma Tax Commission, and
- a copy of the applicable quarter(s) check(s) (if payment was due) that was paid to the Oklahoma Tax Commission.

The above should be provided within 15 days by e-mail (jeanette.pearce@oid.ok.gov), by fax (405-522-2640) or mail to:

Oklahoma Insurance Department
ATTN: Financial Division
3625 NW 56th St. Ste. 100
Oklahoma City OK 73112-4511

Should a violation of Title 85A O.S. § 31(D) be confirmed by the Department, you will be subject to administrative penalties as allowed by law, including but not limited to a fine in the amount of Five Hundred Dollars ($500.00) or an amount equal to one percent (1%) of the unpaid amount, whichever is greater, to be paid to the Insurance Commissioner.

We look forward to your prompt response. Please contact the Oklahoma Insurance Department Financial Division at (405) 521-6651, should you have any questions.

Sincerely,

Jeanette Pearce, PIR
Financial Specialist

*Click **HERE** for OK instructions and forms.*

OKLAHOMA INSURANCE DEPARTMENT | FINANCIAL DIVISION

EXHIBIT
tabbies
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3625 NW 56th ST STE 100 | OKLAHOMA CITY OK 73112-4511
405-521-6651 405-522-4160 Jeanette.Pearce@oid.ok.gov

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