BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
JUL 20 2015
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner, Petitioner,	)	
vs.	)	Case No. 15-0542-DIS
OBI NATIONAL 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 OBI National Insurance Company ("Respondent") is a licensed insurance company doing business in the State of Oklahoma holding NAIC number 14190.

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 Tuesday, February 24, 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 Quarter ending 12/31/2014 (the "Notice"). A copy of the Notice of Potential Penalty for the Quarter ending 12/31/2014 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.

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.

7. 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 OBI National Insurance Company is **FINED** Five Hundred Dollars ($500.00).

8. **IT IS FURTHER ORDERED** that OBI National Insurance Company shall immediately 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.

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 **<u>state the basis for requesting the hearing</u>**.

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 July, 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 July, 2015, to:

OBI National Insurance Company
Attn: Regulatory Compliance
601 Carlson Pkwy, Ste 700
Minnetonka, MN 55305

CERTIFIED MAIL NO:
7015 0640 0004 4933 3144

Dan R. Byrd

7015 0640 0004 4933 3144

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Extra Services & Fees *(check box, add fee as appropriate)*
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- ☐ Certified Mail Restricted Delivery $
- ☐ Adult Signature Required $
- ☐ Adult Signature Restricted Delivery $

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JUL 20 2015

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Street and Apt.
City, State, ZIP+4

OBI National Insurance Company
Attn: Regulatory Compliance
601 Carlson Pkwy, Ste. 700
Minnetonka, MN 55305
15-0542-DIS/DRB(mt)
(7-20-15)

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3.
- 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:

OBI National Insurance Company
Attn: Regulatory Compliance
601 Carlson Pkwy, Ste. 700
Minnetonka, MN 55305
15-0542-DIS/DRB(mt)
(7-20-15)

9590 9403 0272 5155 0736 42

2. Article Number *(Transfer from service label)*
7015 0640 0004 4933 3144

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) A Merwin
C. Date of Delivery

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

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
JUL 28 2015
Legal Division

3. Service Type
- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☑ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over $500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, April 2015 PSN 7530-02-000-9053 Domestic Return Receipt