

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

**FILED**

FEB 19 2016

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. )  
DOAK, Insurance Commissioner, )  
 )  
Petitioner, )  
vs. )  
 )  
INDIANA LUMBERMENS MUTUAL )  
INSURANCE COMPANY, a licensed insurance )  
company doing business in the State of Oklahoma.

Case No. 15-1381-DIS

Respondent.

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

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through counsel, Kelley C. Callahan, 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 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 Indiana Lumbermens Mutual Insurance Company ("Respondent") is a licensed insurance company doing business in the State of Oklahoma holding NAIC number 14265.

**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 November 3, 2015, the Department sent a Notice of Potential Penalty via e-mail to Respondent advising the company 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 September 30, 2015 (the “Notice”).

3. The Notice advised Respondent the Department was giving it the opportunity to correct its 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) 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](mailto:Jeanette.pearce@oid.ok.gov)), by fax (405-522-2640) or mail to: Oklahoma Insurance Department, ATTN: Financial Division, 3625 NW 56<sup>th</sup> Street, Suite 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 would be subject to administrative penalties as allowed by law, including, but not limited to a fine in the amount of at least 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. On November 6, 2015, the Department confirmed its request relating to the Notice via e-mail, again advising the Respondent it must send a copy of the WC-10

MITF Assessment Report-- including zero premium reports--for the applicable quarter(s) filed with the Oklahoma Tax Commission.

6. Respondent filed its WC-10 form late to the Department on November 6, 2015, rather than by October 25, 2015 for the Third Quarter of 2015. Additionally, it failed to timely file a zero payment report with the Oklahoma Tax Commission covering the Third Quarter of 2015, as required by 85A O.S. § 31(D).

### CONCLUSIONS OF LAW

1. Respondent has violated 85A O.S. § 31(D) for failing to timely make a report of payment to the Department as required by 85A O.S. § 31(D), and for failing to file a timely zero payment report to the Oklahoma Tax Commission covering the Third Quarter of 2015, as required by 85A O.S. § 31(D).

2. 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 Respondent, Indiana Lumbermens Mutual Insurance Company, should be and hereby is **FINED Five Hundred Dollars (\$500.00)**. Respondent is further notified that it may request a hearing within thirty (30) days of the receipt of this Order, 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 Kelley C. Callahan, Senior Attorney, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Street, 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 31<sup>st</sup> day following the receipt of the Order by Respondent and the fine ordered herein shall be immediately due and payable.

WITNESS My Hand and Official Seal this 19<sup>th</sup> day of February, 2016.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

A handwritten signature in black ink, appearing to read "Kelley C. Callahan". The signature is written over a horizontal line.

Kelley C. Callahan  
Senior Attorney  
Oklahoma Insurance Department  
Five Corporate Plaza  
3625 N.W. 56<sup>th</sup>, Suite 100  
Oklahoma City, Oklahoma 73112  
[Email:kelley.callahan@oid.ok.gov](mailto:kelley.callahan@oid.ok.gov)  
Tel: (405) 521-6616

**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order of Disciplinary Action and Notice of Right to Be Heard* was mailed certified, return receipt requested, on this 19<sup>th</sup> day of February, 2016, to:

Indiana Lumbermens Mutual Insurance Company  
Attn: Tax Account Payables  
8888 Keystone Crossing  
Suite 250  
Indianapolis, IN 46240

**Certified Mail No.  
7015 0640 0002 7406 4626**



Kelley C. Callahan  
Senior Attorney  
Oklahoma Insurance Department

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

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Certified Mail Fee  
 \$ \_\_\_\_\_

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

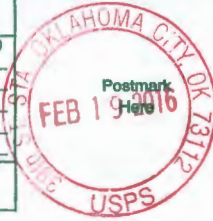
Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage  
 \$ \_\_\_\_\_

Total Postage and Fees  
 \$ \_\_\_\_\_



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

Indiana Lumbermens Mutual Ins Co.  
 Attn: Tax Account Payables  
 8888 Keystone Crossing, Suite 250  
 Indianapolis, IN 46240  
**sms/15-1381-DIS/Cond Ord**

PS Form 3800, April 2015 PSN

7015 0640 0002 7406 4626

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</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>[Signature]</i> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>3/2/16</i></p>
<p>1. Address</p> <p>Indiana Lumbermens Mutual Ins Co.                  Attn: Tax Account Payables                  8888 Keystone Crossing, Suite 250                  Indianapolis, IN 46240  <b>sms/15-1381-DIS/Cond Ord</b></p> <p>9590 9403 0272 5155 0706 41</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><b>RECEIVED</b>                  OKLAHOMA INSURANCE DEPARTMENT  <b>MAR 11 2016</b>                  Legal Division</p>
<p>2. Article Number (Transfer from service label)</p> <p>7015 0640 0002 7406 4626</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Registered Mail Restricted Delivery</p>
<p>PS Form 3811, April 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>	