

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

STATE OF OKLAHOMA, ex rel. JOHN D.	)	
DOAK, Insurance Commissioner,	)	
	)	
Petitioner,	)	
vs.	)	Case No. 16-0231-DIS
	)	
EMPLOYERS FIRE INSURANCE COMPANY,	)	
a licensed insurance company doing business in	)	
the State of Oklahoma,	)	
Respondent.	)	

**FILED**

APR 18 2016

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

**INSURANCE COMMISSIONER  
OKLAHOMA**

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 (“the Insurance Commissioner”), and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101-7301 as well as 85A O. S. § 31(D) of the Administrative Workers’ Compensation Act.

2. Respondent The Employers Fire Insurance Company (“Respondent”) is a licensed insurance company doing business in the State of Oklahoma holding NAIC number 20648.

**FINDINGS OF FACT**

1. Title 85A, Section 31(D) of the Oklahoma statutes, provides in pertinent part 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 February 3, 2015, the Oklahoma Insurance Department (“the OID”) sent a Notice of Potential Penalty via e-mail to Respondent advising the OID had not received the Workers’ Compensation Multiple Injury Trust Fund Assessment Report filing from the Company as required by 85A O.S. § 31(D) for the Quarter ending December 31, 2015 (the “Notice”).

3. The Notice advised Respondent the Department was giving it the opportunity to correct its non-compliance by immediately providing the OID with (1) a copy of the WC-10 MITF Assessment Report (includes zero premium reports) for the applicable quarter(s) filed with the Oklahoma Tax Commission (“the OTC”), 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> St. Ste. 100, Oklahoma City, OK 73112-4511.

5. Finally, the Notice informed Respondent that should a violation of 85A O.S. § 31(D) be confirmed by the OID, Respondent would 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. The Respondent did not act on the Department’s Notice.

## CONCLUSIONS OF LAW

1. Respondent violated 85A O.S. § 31(D) for failing to timely file a WC-10 Form payment report for the Fourth Quarter of 2015 to the OTC. In fact, the Respondent did not file said WC-10 and make payment to the OTC until February 8, 2016.

2. Respondent also violated 85A O.S. § 31(D) by a complete failure to file and submit to the OID a copy of that same WC-10 report and proof of payment actually made to the OTC for the Fourth Quarter of 2015.

3. Pursuant to 85A O.S. § 31(D), as a result of these failures, Respondent is 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 The Employers Fire Insurance Company be **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> 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 31<sup>st</sup> day following the receipt of the Order and the fine ordered herein shall be due.

WITNESS My Hand and Official Seal this 15<sup>th</sup> day of April, 2016.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

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

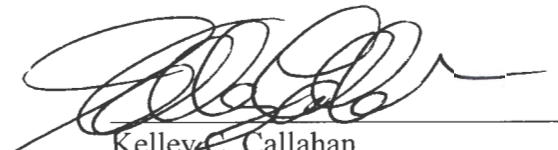
Kelley C. Callahan  
Senior Attorney  
Oklahoma Insurance Department  
Five Corporate Plaza  
3625 N.W. 56<sup>th</sup>, Suite 100  
Oklahoma City, Oklahoma 73112  
[Email:kelley.callahan@oid.ok.gov](mailto:kelley.callahan@oid.ok.gov)  
Tel: (405) 521-6616  
Attorney for the Insurance  
Commissioner

**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 18<sup>th</sup> day of April, 2016, to:

Employers Fire Insurance Company  
Regulatory Compliance Division  
Attn: Timothy Mahon  
1880 JFK Blvd., Suite 801  
Philadelphia, PA 19103

**Certified Mail No.  
7015 3010 0001 4736 5832**

  
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)

**OFFICIAL USE**

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 \$ \_\_\_\_\_

Postmark  
Here



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

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

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

Employers Fire Insurance Company  
 Regulatory Compliance Division  
 Attn: Timothy Mahon  
 1880 JFK Blvd., Suite 801  
 Philadelphia, PA 19103  
 sms/16-0231-DIS/Cond Ord

PS Form 3800, April 2015 PSN 7530-02-000-9047

**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:

Employers Fire Insurance Company  
 Regulatory Compliance Division  
 Attn: Timothy Mahon  
 1880 JFK Blvd., Suite 801  
 Philadelphia, PA 19103  
 sms/16-0231-DIS/Cond Ord



9590 9402 1346 5285 6047 70

2. Article Number (Transfer from service label)

7015 3010 0001 4736 5832

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *K John*  Agent  Addressee

B. Received by (Printed Name) *K John* C. Date of Delivery *4-21-16*

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

APR 21 2016

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Return Receipt for Merchandise

Collect on Delivery  Signature Confirmation™

Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt