

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 Respondent 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 OTC.

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 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. While Respondent did timely file a WC-10 Form payment report for the Fourth Quarter of 2015 to the OTC and made payment to the OTC on December 31, 2015, Respondent nevertheless violated 85A O.S. § 31(D) by a failure to do two things. First, Respondent failed to file and submit to the OID a copy of the same WC-10 report Respondent sent the OTC covering the Fourth Quarter of 2015. Second, Respondent failed to demonstrate proof of payment actually made to the OTC for the Fourth Quarter of 2015 by sending the OID a copy of check or other instrument used to pay the OTC.

2. 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 Argonaut-Southwest 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 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 Respondent's receipt of the Order and the **FINE** ordered herein shall be due and payable to the Insurance Commissioner.

WITNESS My Hand and Official Seal this 19th 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.

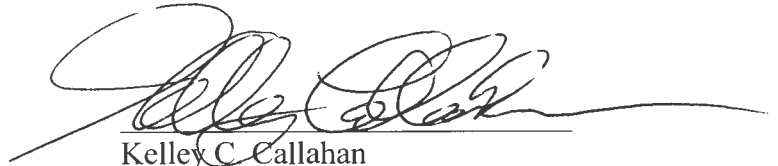
Kelley C. Callahan
Senior Attorney
Oklahoma Insurance Department
Five Corporate Plaza
3625 N.W. 56th, Suite 100
Oklahoma City, Oklahoma 73112
[Email:kelley.callahan@oid.ok.gov](mailto:kelley.callahan@oid.ok.gov)
Tel: (405) 521-6616
Attorney for the Insurance
Commissioner

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 9th day of April, 2016, to:

Argonaut-Southwest Insurance Company
P.O. Box 469011
San Antonio, TX 78246-9011

Certified Mail No.
7015 3010 0001 4604 5856



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®.

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 \$ _____



Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To
 Argonaut-Southwest Insurance Company
 P.O. Box 469011
 San Antonio, TX 78246-9011
sms/16-0235-DIS/Cond Ord

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

PS Form 3800, April 2015 PSN 7530-02-000-9053

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:

Argonaut-Southwest Insurance Company
 P.O. Box 469011
 San Antonio, TX 78246-9011
sms/16-0235-DIS/Cond Ord

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *R Reed* Agent
 Addressee

B. Received By (Printed Name)
R Reed

C. Date of Delivery
4/25/2016

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

RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT
 APR 28 2016
 Legal Division

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

2. Article Number (Transfer from service label)
7015 3010 0001 4736 5856

7015 3010 0001 4736 5856