

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

APR 19 2016

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK,)
Insurance Commissioner,)

Petitioner,)

vs.)

Case No. 16-0239-DIS

INDIANA LUMBERMENS MUTUAL)
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, Senior Attorney 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”); therefore, he is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq, as well as 85A O. S. § 31(D) of the Administrative Workers’ Compensation Act.

2. Respondent Indiana Lumbermens Insurance Company (“Respondent”) is a licensed insurance company doing business in the State of Oklahoma holding NAIC number 14265.

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, 2016, the Oklahoma Insurance Department (“the OID”) sent a Notice of Potential Penalty (“the Notice”) via e-mail to Respondent advising the OID had not received the Workers’ Compensation Multiple Injury Trust Fund Assessment Report (“WC-10 MITF”) filing from the Respondent as required by 85A O.S. § 31(D) for the Quarter ending December 31, 2015.

3. The Notice advised Respondent the OID was giving it the opportunity to correct its non-compliance by immediately providing the Oklahoma Tax Commission (“the OTC”) and the OID with (1) a copy of the WC-10 MITF Assessment Report (includes zero premium reports) for the applicable Quarter(s) the company filed with 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. Respondent violated 85A O.S. § 31(D) by a failure to do the following. First, Respondent failed to file with the OTC its WC-10 MITF Assessment Report (includes zero premium reports for the Fourth Quarter of 2015, due January 15, 2016. Second, Respondent failed to file to the OID a copy of the WC-10 MITF Assessment Report for the Fourth Quarter of 2015 as filed with the OTC and which was due to the OID by January 25, 2016. Respondent did not file this Report with the OID until February 4, 2016.

2. Pursuant to 85A O.S. § 31(D), as a result of these failures, Respondent is subject to administrative penalties 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 Indiana Lumbermens 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 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 31st day following the Respondent's receipt of the Order and the **FINE** ordered herein shall be immediately 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 19th day of April, 2016, to:

Indiana Lumbermens Mutual
Insurance Company
Attn: John Marazzo
2005 Market St., Suite 1200
Philadelphia, PA 19103-7008



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 _____

Street and Apt. No., or PO Box _____

City, State, ZIP+4® _____

Indiana Lumbermens Mutual
 Insurance Company
 Attn: John Marazzo
 2005 Market St., Suite 1200
 Philadelphia, PA 19103-7008
 sms/16-0239-DIS/Cond Ord

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:

Indiana Lumbermens Mutual
 Insurance Company
 Attn: John Marazzo
 2005 Market St., Suite 1200
 Philadelphia, PA 19103-7008
 sms/16-0239-DIS/Cond Ord



9590 9402 1346-5285 5999 84

2. Article Number (Transfer from service label)

7015 3010 0001 4736 5894

COMPLETE THIS SECTION ON DELIVERY

A. Signature X *[Signature]* Agent Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *4/25/16*

D. Is delivery address different from item 1? Yes No

RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT
 APR 29 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
- Insured Mail Signature Confirmation Restricted Delivery

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

Domestic Return Receipt