

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

FILED
MAY 03 2017
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
PROGRESSIVE CASUALTY)
INSURANCE COMPANY,)
a foreign insurer,)
Respondent.)

Case No. 17-0269-DIS

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. John Doak, Insurance Commissioner, by and through his attorney, Lisa M. Torneten, and alleges and states as follows:

JURISDICTION & AUTHORITY

1. John Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq, including the Insurance Adjusters Licensing Act, 36 O.S. §§ 6201 through 6223.

2. Progressive Casualty Insurance Company (“Respondent”) is a licensed foreign insurer in the State of Oklahoma holding certificate of authority number 6878 and NAIC CoCode 24260. Respondent’s address of record is 6300 Wilson Mills Road W33, Cleveland, Ohio 44123.

3. Pursuant to 36 O.S. § 619, any insurance company violating any provision of the Insurance Code 36 O.S. §§ 101 et seq., may be subject to a civil penalty of not more than \$5,000.00 per violation.

ALLEGATIONS OF FACT

1. Respondent is a licensed insurer in the state of Oklahoma. Shayne Kropp is currently employed with Respondent as an insurance adjuster. Mr. Kropp's resident adjuster license expired on May 31, 2015. Mr. Kropp did not submit an application for license reinstatement to the Department, yet he continued to negotiate claim settlements on behalf of Respondent.

2. The Department requested documentation from Respondent detailing the claims worked by Mr. Kropp since the expiration of his license. This documentation reflects that Mr. Kropp negotiated or adjusted 1,404 claims from May 31, 2015 to March 25, 2017.

3. On April 11, 2017, in a letter addressed to the Department, a member of Respondent's claim licensing compliance division stated that the failure of Mr. Kropp's license renewal occurred due to an error made within Respondent's licensing department.

ALLEGED VIOLATIONS OF LAW

1. Respondent violated 36 O.S. §§ 6216(B) and (C); failing to ascertain whether an adjuster holds a current license, and knowingly referring claims of loss or for adjustment to an individual who is not properly licensed pursuant to the Insurance Adjusters Licensing Act, 36 O.S. §§ 6201 through 6223.

2. By violating these provisions of the Insurance Adjuster Licensing Act, Respondent violated 36 O.S. § 619 which provides for a civil penalty of not more than \$5,000.00 for each occurrence in violation.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Progressive Casualty Insurance Company is **FINED SEVEN THOUSAND FIVE HUNDRED AND**

NO/100 DOLLARS (\$7,500.00). The \$7,500.00 fine is to be paid within thirty (30) days made payable to the Oklahoma Insurance Department.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Lisa M. Torneten, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. § 250-323. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 3rd day of May, 2017.



JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Lisa M. Torneten
Assistant General Counsel
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112
405-522-6330
405-522-0125 Fax

CERTIFICATE OF MAILING

I, Lisa M. Torneten, 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 by certified mail, with postage prepaid and return receipt requested, on this 3rd day of May, 2017, to the following:

Diane Lau
Progressive Licensing Compliance Manager
6300 Wilson Mills Road, N72
Mayfield Village, OH 44143

CERTIFIED MAIL NO. 7016 2140 0000 3510 5528

and a copy was delivered to:

Niki Godfrey
Licensing Division



Lisa M. Torneten
Assistant General Counsel

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Diane Lau
 Progressive Licensing Compliance
 Manager
 6300 Wilson Mills Road, N72
 Mayfield Village, OH 44143
 17-0269-DIS/LMT(mt)
 Cond.Adm.Ord. & Notice ~(5-03-17)

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

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- 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:

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 OKLAHOMA INSURANCE DEPARTMENT
 MAY 12 2017
 Legal Division

Diane Lau
 Progressive Licensing Compliance
 Manager
 6300 Wilson Mills Road, N72
 Mayfield Village, OH 44143
 17-0269-DIS/LMT(mt)
 Cond.Adm.Ord. & Notice ~(5-03-17)

9590 9402 2617 6336 1431 72

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A. Signature
X PROGRESSIVE COURIER
 Addressee

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