

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**  
**JAN 17 2018**  
**INSURANCE COMMISSIONER**  
**OKLAHOMA**

STATE OF OKLAHOMA, ex rel. JOHN D. )  
DOAK, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
BOB WISELEY, formerly a licensed )  
insurance producer in the State of )  
Oklahoma, )  
 )  
Respondent. )

Case No. 17-0906-DIS

**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 his attorney, Barron B. Brown, and alleges and states as follows:

**JURISDICTION AND AUTHORITY**

1. John D. 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 Oklahoma Producer Licensing Act (the "Act"), 36 O.S. §§ 1435.1 through 1435.41.

2. Bob Wiseley ("Respondent") was previously a licensed insurance producer in the State of Oklahoma holding license number 100122896. Respondent surrendered his producer license to the Oklahoma Insurance Department ("OID") on or about December 19, 2017. Respondent's mailing address of record is P.O. Box 1441, Fort Gibson, Oklahoma 74434-1441.

3. Pursuant to 36 O.S. 1435.13(F), "[the] Insurance Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Oklahoma Producer Licensing Act and Title 36 of the Oklahoma Statutes against any person who is under investigation for or charged with a violation of the Oklahoma Producer Licensing Act or Title 36 of the Oklahoma Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law."

4. Additionally, the Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code. 36 O.S. § 1435.13(A) and (D).

#### **ALLEGATIONS OF FACT**

1. On or about November 30, 2017, the Oklahoma Insurance Department's ("OID") Anti-Fraud Unit received a complaint from Farmers Insurance Company ("Farmers") against Respondent. In its complaint, Farmers provided a copy of an internal investigation it had conducted into Respondent's business practices in the State of Oklahoma.

2. More specifically, Farmers' investigation found that, between January, 1 2016 and March 31, 2017, Respondent had voided twenty-nine (29) cash premium payments and twelve (12) check payments for twenty-three (23) Farmers customers, including two (2) of his own personal policies. Farmers audited twelve (12) of those forty-one (41) total voided payments and identified that ten (10) of those voided payments involved policies with multiple voided payments, which had been cancelled and then reinstated numerous times.

3. On May 18, 2017, Farmers interviewed Respondent by phone concerning its investigation. The following is a summary of the key, relevant portions of the interview:

- a) Respondent acknowledged that all of the identified voided and reversed payments, as well the policy reinstatements, were processed by him.
- b) Respondent explained that when he noticed that a customer's policy was out of force, he would contact the customer to inform him/her of this issue and that premium payment would be needed to reinstate the policy. Then, prior to receiving any premium payment to reinstate a policy, Respondent, based on a personal belief that the customer would come in and pay the premium, stated that he would go ahead and receipt the policy for the amount of premium needed and reinstate the policy through Farmers' system – even though he had not actually received any premium monies nor was any premium remitted to Farmers for said policies.
- c) In instances when a customer failed to come in and pay the premium amount owed, Respondent would void the policy with any unearned premium for the policy still owed to Farmers.
- d) Respondent told Farmers that his rationale for engaging in this business practice was to help his customers who were having financial difficulties keep their policies in force.
- e) Additionally, with regard to his personal policies, Respondent stated that he knew both were out of force and admitted to receipting check payments

for the premiums owed on each policy to reinstate them – even though he did not ever actually remit premium monies to Farmers.

- f) Respondent provided a signed statement to Farmers confirming the information he provided in his May 18<sup>th</sup> phone interview. A copy of this statement is attached as Petitioner's Exhibit A.

4. As a result of its investigation, Farmers estimated its total financial loss as a result of Respondent's financially irresponsible conduct at \$5,148.00 in unearned premium owed, including \$2,404 in unearned premium owed on his two personal policies.

5. On or about September 25, 2017, Farmers terminated for cause Respondent's appointments. A copy of the termination for cause notification filed with the OID is attached as Petitioner's Exhibit B.

6. On or about December 19, 2017, Respondent submitted a voluntary license surrender form to the OID Anti-Fraud Unit. A copy of Respondent's license surrender form is attached as Petitioner's Exhibit C.

#### **ALLEGED VIOLATIONS OF LAW**

1. Respondent violated 36 O.S. § 1435.13(A)(8) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

#### **ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner that Respondent is **CENSURED** and **FINED ONE THOUSAND DOLLARS (\$1,000.00)** for a violation of 36 O.S. § 1435.13(A)(8). **The \$1,000.00 fine is to be paid within**

**thirty (30)** days made payable to the Oklahoma Insurance Department. The \$1,000.00 civil fine shall be paid by money order or cashier's check. Failure to pay the civil fine or request a hearing within thirty (30) days may result in further administrative action.

**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 Barron B. Brown, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> 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 Oklahoma Insurance Code (36 O.S. §§ 101 et seq.) and the Oklahoma Administrative Procedures Act (75 O.S. §§ 308a et seq.). 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 17<sup>th</sup> day of January, 2018.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Barron B. Brown  
Barron B. Brown

Assistant General Counsel  
Oklahoma Insurance Department  
3625 NW 56<sup>th</sup> St., Suite 100  
Oklahoma City, OK 73112  
(405) 521-2746

**CERTIFICATE OF MAILING**


I, Barron B. Brown, 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 17<sup>th</sup> day of January, 2018, to:

Bob Wiseley  
P.O. Box 1441  
Fort Gibson, OK 74434-1441

**CERTIFIED MAIL NO.** 9214 8902 0982 7500 0047 85

and a copy was delivered to:

Licensing Division  
Anti-Fraud Division

  
\_\_\_\_\_  
Barron B. Brown  
Assistant General Counsel



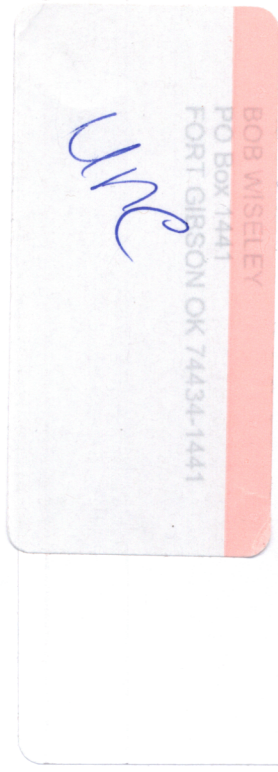
**JOHN D. DOAK**  
**Insurance Commissioner**  
 Oklahoma Insurance Department  
 5 Corporate Plaza  
 3625 NW 56th Street, Suite 100  
 Oklahoma City, OK 73112-4511

**Guaranteed Mail™**

USPS CERTIFIED MAIL



9214 8902 0982 7500 0047 85



RECEIVED  
 OKLAHOMA INSURANCE DEPARTMENT

APR 09 2018

Legal Division



- Not Deliverable As Addressed
- Unable To Forward
- Insufficient Address
- Moved, Left; No Address
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- Attempted - Not Known
- No Such Street  Number
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- Box Closed - No Order
- Returned For Better Address
- Postage Due \_\_\_\_\_

NEOPOST  
 01/17/2018  
**US POSTAGE \$006**



ZIP  
 041M1

*1-19*  
*2-27*  
*3-3*

APR 6 '18 AM 10:4



Date: May 18, 2017

Time: 9:30am

Location: Agent's Office

**Statement:**

My name is Bob Wiseley and I am a Farmers Agent. My agent number is 08-46-1A and I've been an agent since August 2012. My current office address is 124 N. Leo St, Fort Gibson, OK 74434. I am licensed in the state of Oklahoma and I am not a Registered Representative with Farmers Financial Solutions. I currently have one part-time staff member named Rebecca Jennings working in my office. Rebecca has been working in the agency for approximately three years and her primary responsibilities include answer phones and assisting customers. Rebecca is not licensed or appointed with the Company, but she does have her own user ID.

During the interview, we discussed a total of seven policies including my own, where there were voided payments processed that allowed the policies to be reinstated. Below is a summary of the six policies reviewed with Internal Audit:

- [REDACTED] - The insured is a friend of mine and I believe his son was helping to pay the insurance premiums at one time. The insured or his son would contact my office and state they intended to come in and make a premium payment, so in an effort to help them out, I would go ahead and receipt the payment and when they didn't come in I would void. I was aware this reinstated the policy, but I was trying to help them out and I believed they would come in and make a payment eventually.
- [REDACTED] - I don't recall receipting and then voiding any payments on her policy, however, the policy was reinstated by the Company and not my office.
- [REDACTED] - This insured usually calls into the agency to find out how much she owes and says she's going to come in. I go ahead and receipt the payment then have to void it when she doesn't come in.
- [REDACTED] - John is a friend of mine who I've tried to help. I will go ahead and receipt a payment to reinstate the policy and John says he will come in and make the payment. However, when he doesn't come in, I have to void the payment.
- [REDACTED] - This customer was in the process of buying a house and was supposed to be getting some proceeds so they indicated there were going to come into my office and pay their policy in full. I went ahead and posted the large payment, but then the customer could only afford to pay \$400, so I had to void the original payment.
- [REDACTED] - Like some of the other customers I would go ahead and receipt the payment necessary to reinstate the policy with the expectation the customer would come in and pay. However, many times he would not and I



would have to void the payment. This customer is on a fixed income and can only make minimal payments, not the full amount that is due.

After reviewing these policies I now realize how frequently I was entering and voiding receipts and understand the position it put the Company in regarding the earned premium due. When I entered and voided these payments, I was just trying to help some of my customers out. This is a business practice I will stop immediately.

We also specifically discussed my personal Auto and Renters policies. I knew the policies were both out of force, but I did not realize there was over \$2,400 in earned premium due or that it was placed in collections. Internal Audit explained that both policies cancelled on 9/1/16. I then receipted a \$445 check payment on 9/8/16, but voided it the same day. Following that void, I receipted another check payment of \$647 on 9/8/16, which reinstated both policies. However, that \$647 check payment was reversed off the policy on 10/20/16 because it was never deposited. On 11/3/16 I processed a \$650 EFT payment, which was reversed off the policy on 11/21/16 due to insufficient funds. The policies then cancelled again on 12/1/16. On 12/8/16 I receipted a \$2,778.79 check payment, which reinstated the Auto policy. However, that check payment reversed off the policy on 1/3/17 as it was never deposited. I acknowledge that I never actually wrote the checks and just entered them into the system, which allowed my policies to be reinstated without valid payment. I intend to secure a loan to pay off some financial debt, including the EP due on this policy.

I have read the above statement and it is true to the best of my knowledge.

Statement By: Bob Wiseley

Signed: Bob Wiseley Date: 5/18/2017

Witnessed By: Caleb Conner

Signed: Caleb Conner Date: 05/18/2017

Witnessed By: Carl Patton

Signed: Carl Patton Date: 5/18/17

Witnessed By: Ryan Summy

Signed: Ryan C. Summy Date: 5/23/2017



SEP 26 11 33 AM '17

17000 W 110<sup>th</sup> St  
Olathe, KS 66081  
Tel 913-884-6400  
Fax 866-812-0736

September 26, 2017

Oklahoma Insurance Department  
Agents Licensing  
2401 NW 23rd St., Suite 28  
Oklahoma City, OK 74107



RE: Termination of Appointment for: Bob Wiseley  
License # 100122896

This serves as formal notice that effective September 20, 2017 Bob Wiseley's appointments with the following Companies have been cancelled:

Farmers Insurance Exchange  
Farmers Insurance Company Inc.  
Farmers New World Life  
Mid Century Insurance Company  
Truck Insurance Exchange  
Foremost Insurance Company  
Bristol West Insurance Company

Agent Wiseley admitted to keeping policies in force without making the necessary premium collections. He would reinstate policies by entering cash and check payments into the ACA system that were never actually collected and then later void those receipts.

Agent Wiseley also advanced coverage on his personal Auto and Renters policies by processing two check payments that were reversed as the checks were never deposited to the Company bank account. He also processed an EFT payment that was later reversed due to insufficient funds in his bank account. Agent Wiseley failed to correct those premium payments and the billing account was sent to collections with \$2,404 in earned premium due.

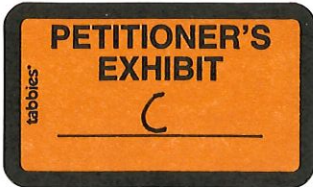
If you have any questions, you may contact Mike Drummond, Audit Manager, via email at [mike\\_drummond@farmersinsurance.com](mailto:mike_drummond@farmersinsurance.com) or by mail at Farmers Insurance Internal Audit, 6303 Owensmouth Avenue, Woodland Hills, CA, 91367.

Sincerely,

Meghan Robinson  
Agency Administration Manager  
Farmers Insurance Group

001 11 2017

2017



Date: 12/19/17  
*Required*

**Oklahoma License Surrender Form**  
Rev. 081608

To: **OKLAHOMA INSURANCE DEPARTMENT**  
**ATTN: AGENT LICENSING DIVISION**  
**PO BOX 53408**  
**OKLAHOMA CITY OK 73152-3408**

The official paper license must be surrendered along with written and signed notice requesting cancellation of the license by the licensee. Agency license surrender must be signed by an owner, officer or partner of the agency. In cases where the official paper license is lost or misplaced, please indicate "license lost" or "license misplaced" on the request for license cancellation. In case of death, official notice posted in the newspaper, a program from the funeral, or a copy of the death certificate must accompany the request for license cancellation.

**LICENSEE MUST READ THIS STATEMENT:**

The Oklahoma license for Agents/Producers or Adjusters is the legal property of the licensed individual, no matter who paid for the license or training of the individual, and may not be cancelled or surrendered by anyone other than the licensee. At termination from the agency/company, voluntary leave from the agency/company, or at any time when the individual requests to have their original paper Oklahoma license, the agency/company must return it to the licensed individual. The licensed individual may continue to hold the license while they search for new employment with another insurance agency/company as long as all other compliance with licensure is maintained.

I have read and understand the above statements, and I voluntarily surrender my Oklahoma license without threat or duress from my agency/company.

**LICENSEE MUST SIGN HERE TO ACKNOWLEDGE UNDERSTANDING OF THIS STATEMENT**

Licensee SIGNATURE, and Title if Agency Licensee: *Required*

OK Bob Wiseley

PRINT Licensee Name as Shown on the Oklahoma License: *Required, please type or print clearly.*

Bob Wiseley

Check One <i>Required</i>	
<input checked="" type="checkbox"/>	I am Voluntarily Surrendering my Oklahoma Individual license # <u>120122896</u>
<input type="checkbox"/>	I am Voluntarily Surrendering my Oklahoma agency license # _____
<input type="checkbox"/>	I am Retiring and Voluntarily Surrendering Oklahoma Individual license # _____
<input type="checkbox"/>	I have moved out of Oklahoma and I am Voluntarily Surrendering my Oklahoma license # _____
<input type="checkbox"/>	I am selling or closing my agency and Voluntarily Surrendering my OK agency license # _____
<input type="checkbox"/>	I do not wish to renew my Oklahoma Individual license # _____
<input type="checkbox"/>	I do not wish to renew my Oklahoma agency license # _____
<input type="checkbox"/>	The agency changed FEIN and I am Surrendering Oklahoma license # _____
<input type="checkbox"/>	I am advising the Oklahoma Insurance Department of the death of a licensed individual.
<input type="checkbox"/>	Other: _____

Check One <i>Required</i>	
<input checked="" type="checkbox"/>	My original Oklahoma paper license is attached to this letter.
<input type="checkbox"/>	My original Oklahoma paper license has been lost or misplaced.
<input type="checkbox"/>	I have included official notice posted in the newspaper, a program from the funeral, or a copy of the death certificate for the deceased Oklahoma licensee.

Licensee address, city, state, zip, and contact phone number: *Please type or print clearly.*

2212 Delaware St  
Muskogee, OK 74403

Please contact the Oklahoma Insurance Department at 405-521-3916 if you have questions or concerns.

License No: 100122896

State of Oklahoma  
Insurance Department

NPN: 16509256

**BOB WISSELEY**

LICENSE TYPE	EFFECTIVE DATE	EXPIRATION DATE	CLASSIFICATION OR AUTHORITY
Producer	06/12/2016	06/12/2022	General Agent - Life, Acc. & Health

