

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
APR 27 2018
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
v.)
)
CHRISTOPHER DAVIDSON,)
a resident producer,)
)
and)
)
C DAVIDSON INSURANCE AGENCY, INC.,)
a resident insurance agency,)
)
)
Respondents.)

Case No. 18-0042-DEN

CONSENT ORDER

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, and the Respondents, Christopher Davidson (“Davidson”) and C Davidson Insurance Agency, Inc. (“Agency”) and stipulate to the following facts and applicable laws. The parties consent to entry of this Order.

JURISDICTION

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, 36 O.S. § 1435.1 et seq..

2. Respondent Christopher Davidson (“Davidson”), holding license number 40134555, is licensed by the State of Oklahoma as a resident insurance producer as

defined and required by *36 O.S. § 1435.2(7)*. His address of record is 14226A S. Elm Street, Glenpool, Oklahoma 74033.

3. C Davidson Insurance Agency, Inc. (“Agency”) is a resident insurance agency holding Oklahoma license number 100265692. Its address of record is 14226A S. Elm Street, Glenpool, Oklahoma 74033. The designated responsible licensed producer is Davidson. *36 O.S. § 1435.7(B)* requires business entity producers to maintain an insurance producer license.

4. Informal disposition of this matter may be made by consent order pursuant to *75 O.S. § 309(E)*.

STIPULATIONS OF FACT

1. On or about October 30, 2017, the Anti-Fraud Unit of the Oklahoma Insurance Department (the “Department”) received a complaint from Farmers Insurance Company (“Farmers”) regarding Davidson and the Agency (collectively referred to as the “Respondents”). Davidson’s appointment with Farmers was terminated due to falsifying records.

2. The investigation by Investigator Rick Koch of the Department and Michael Vidal of Farmers revealed that Davidson manipulated 153 auto policies issued by Farmers.

3. Davidson submitted addresses of residence which reflected a different address than the policy holders’ mailing addresses. The premium payments were reduced as a result of Davison entering addresses of residence different from the mailing addresses. The reason for the lower premium payment is the addresses of residence entered are located in a lower rate class than the mailing addresses entered.

4. The Investigators reported there were 153 instances in which Davidson fraudulently entered an incorrect address of residence. The Investigators reported that the majority of the 153 incorrect addresses entered by Davidson were invalid property addresses and the remaining addresses were valid but owned by someone other than the policy holders.

5. Davidson admitted to inputting fictitious addresses on the auto policies and the policy holders receiving a reduced premium based on his actions.

6. As a result of Davidson's inputting fictitious addresses for the location of the cars it cost Farmers approximately \$20,025.50.

7. The investigation revealed that Davidson submitted forged invoices to Farmers from Home Claims Solutions to obtain New Roof discounts. The New Roof discounts are premium discounts provided by Farmers when proof is provided that the insured property has a new roof.

8. Investigator Koch and Investigator Vidal reported that 88 invoices purporting to be from Home Claims Solutions, a roofing company, were falsified.

9. The investigators reported that 88 of the Home Claims Solutions invoices were not issued by the company as the logo was outdated, the address was outdated, or the phone number was that of a terminated employee of Home Claims Solutions.

10. Home Claims Solutions confirmed the 88 invoices were not issued by them.

11. As a result of Davidson submitting fraudulent invoices, it cost Farmers approximately \$35,720.47 for unjustified premium discounts applied.

12. Davidson is the Designated Licensed Producer for the Agency and the only member of the Agency.

13. Pursuant to the provisions of *36 O.S. § 1435.13*:

a. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act or may levy a civil penalty in accordance with subsection D of this section or any combination of actions, for any one or more of the following causes:

i. Having admitted or been found to have committed any insurance unfair trade practice or fraud;

ii. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

b. In addition to or in lieu of any applicable denial, probation, censure, suspension or revocation of a license, a person may, after opportunity for hearing, be subject to a civil fine of not less than One Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) for each occurrence. Said penalty may be enforced in the same manner in which civil judgments may be enforced.

c. The license of a business entity may be suspended, revoked or refused if the Insurance Commissioner finds, after opportunity for hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf

of the partnership or corporation and the violation was neither reported to the Insurance Commissioner nor corrective action taken.

CONCLUSIONS OF LAW

1. Davidson violated *36 O.S. § 1435.13(A)(7)* by submitting fraudulent invoices 88 times which indicate new roofs were placed on the insured properties resulting in premium discounts from Farmers.

2. Davidson 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 by:

a. Fraudulently entering incorrect addresses to obtain a lower premium rate for the insureds under the auto policy and by doing so 153 times.

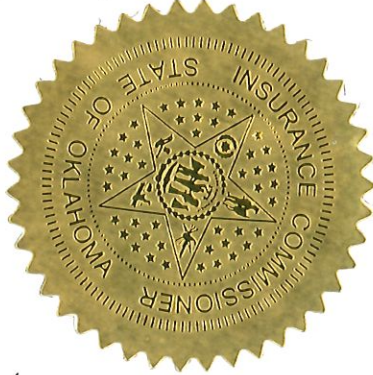
b. By submitting fraudulent invoices to Farmers to obtain premium discounts 88 times.

3. The Agency, being solely owned by Davidson was aware of Davidson's violations listed above which are in violation of Producer Licensing Action and did not report those violations as required by *36 O.S. 1435.13(C)*.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner and CONSENTED to by the Respondents that their respective producer licenses are hereby REVOKED.

WITNESS My Hand and Official Seal this 26th day of April 2018.



Stephen Mathis
STEPHEN MATHIS
HEARING EXAMINER

AGREED:

[Signature]
Sara A. Worten
Assistant General Counsel
Oklahoma Insurance Department

[Signature]
Christopher Davidson
Individually and as President of
C. Davidson Insurance Agency

CERTIFICATE OF MAILING

I, Sara A. Worten, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 27th day of April, 2018 to:

Christopher Davidson
2929 N Lions Drive
Broken Arrow, OK 74012-0878
(residence)

**CERTIFIED MAIL NO:
9214 8902 0982 7500 0079 22**

and that a copy was delivered to:

Courtney Phillips/Producer Licensing Division
Rick Koch/ Anti-Fraud Team


Sara A. Worten



JOHN D. DOAK
Insurance Commissioner
 Oklahoma Insurance Department
 5 Corporate Plaza
 3625 N.W. 56th St., Ste. #100
 Oklahoma City, OK 73112-4511

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CHRISTOPHER DAVIDSON
 2929 N LIONS DR
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 Legal Division

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