

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**  
MAR 06 2018  
INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA ex rel. )  
JOHN D. DOAK, Insurance Commissioner, )  
 )  
 Petitioner, )  
 )  
v. )  
 )  
HEALTH NET LIFE INSURANCE )  
COMPANY, a licensed insurer )  
in the State of Oklahoma, )  
 )  
 Respondent. )

Case No. 18-0109-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, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Health Net Life Insurance Company ("Respondent") is a licensed life, accident and health insurer in the State of Oklahoma holding Certificate of Authority number 3388 (NAIC CoCode 66141).

3. Pursuant to 36 O.S. § 619(A)(1) and (B), any insurance company violating any provision of any statute for which the Commissioner has jurisdiction may be subject to a civil penalty of not more than Five Thousand Dollars (\$5,000.00) for each occurrence.

**ALLEGATIONS OF FACT**

1. On or before July 1 of each year, "[an] annual fee of Seven Hundred Fifty Dollars (\$750.00) shall be paid to the Insurance Commissioner to be expended by the Insurance Commissioner for the purpose of investigation of suspected insurance fraud and civil or administrative action in cases involving suspected insurance fraud." 36 O.S. § 362. This fee (the "Anti-Fraud Assessment fee") is required to be paid by each of following: "Life, accident and health insurers; property and casualty insurers; county mutual fire insurers; mutual benefit associations; fraternal benefit societies; reciprocal insurers; motor service clubs; title insurers; nonprofit insurers; health maintenance organizations (HMOs); service warranty associations; surplus lines carriers; multiple employer welfare arrangements (MEWAs); trusts which write surety policies; prepaid dental plan organizations; and accredited reinsurers." Ibid.

2. As a licensed life, accident and health insurer in the State of Oklahoma, Respondent is required to pay an annual Anti-Fraud Assessment fee to the Oklahoma Insurance Department ("OID"). 36 O.S. § 362.

3. Based on OID records, Respondent failed to pay its 2017 Anti-Fraud Assessment fee on or before July 1, 2017.

4. On September 29, 2017, the OID's Legal Division sent Respondent a letter via certified mail to its mailing address of record notifying it of the failure to pay the Anti-Fraud Assessment fee and requiring payment to be made no later than November 15, 2017.

5. As of the date of this Order, Respondent has failed to remit payment of its 2017 Anti-Fraud Assessment fee to the OID.

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

1. Respondent violated 36 O.S. § 362 by failing to pay its 2017 Anti-Fraud Assessment fee on or before July 1, 2017.

**ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner that Respondent is **FINED ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00)**. The \$1,500.00 fine is to be paid within thirty (30) days made payable to the Oklahoma Insurance Department. The \$1,500.00 civil fine shall be paid by money order or cashier's check.

**IT IS FURTHER ORDERED** by the Insurance Commissioner that Respondent shall remit full payment of its owed 2017 Anti-Fraud Assessment fee in the amount of **SEVEN HUNDRED FIFTY DOLLARS (\$750.00)** to the Oklahoma Insurance Department within thirty (30) days.

**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 6<sup>th</sup> day of March, 2018.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

A handwritten signature in cursive script, reading "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 6<sup>th</sup> day of March, 2018, to:

Health Net Life Insurance Company  
21281 Burbank Blvd. B3  
Woodland Hills, CA 91367

CERTIFIED MAIL NO:  
9214 8902 0982 7500 0059 04

and that a copy was delivered to:

Financial Division

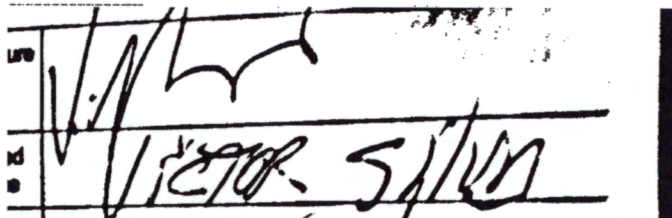
A handwritten signature in cursive script, reading "Barron B. Brown".

Barron B. Brown  
Assistant General Counsel

Date Produced: 03/19/2018

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0059 04. Our records indicate that this item was delivered on 03/12/2018 at 10:51 a.m. in WOODLAND HILLS, CA 91365. The scanned image of the recipient information is provided below.

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