

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
OCT 13 2020
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
DEREK SAUN PORRAS,)
a resident producer,)
)
)
Respondent.)

Case No. 20-0043-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act. 36 O.S. §§ 1435.1 et seq. On October 6, 2020, a show cause hearing was held at the Oklahoma Insurance Department (“OID”) on OID’s Notice of Hearing and Order to Show Cause (“Notice”), filed February 24, 2020. On March 30, 2020, a Continuance was entered continuing the matter for hearing to May 21, 2020 at 10:00 a.m. On June 30, 2020, another Continuance was entered continuing the matter for hearing to July 8, 2020 at 10:00 a.m. On July 23, 2020, another Continuance was entered continuing the matter for hearing to October 6, 2020 at 10:00 a.m. The hearing was held at the offices of OID before Independent Hearing Examiner Stephan Mathis. Present at the hearing were Antuanya “Bo” DeBose, Assistant General Counsel for OID and April Moore for OID’s Anti-Fraud Division. Respondent Derek Saun Porrás (“Respondent”) failed to appear after being served the Continuance on July 25, 2020.

Witnesses were sworn and testified, exhibits were admitted, and argument of the parties heard.

FINDINGS OF FACT

1. That OID has jurisdiction over the subject matter of this action pursuant to *36 O.S. §§ 101-7401*, including the Oklahoma Producer Licensing Act, *36 O.S. §1435.1 et seq.*

2. That the Insurance Commissioner has the authority to render an Order concerning the above styled matter and has lawfully appointed Independent Hearing Examiner, Stephan Mathis, who shall sit as a quasi-judicial officer pursuant to *36 O.S. § 319*.

3. Respondent holds a resident producer license number 17902015 and is licensed by the State of Oklahoma. Respondent's address of record is 702 West Main Street, Weatherford, Oklahoma 73096.

4. 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 *36 O.S. § 1435.13(A) and (D)*.

5. Petitioner afforded Respondent an opportunity for hearing by sending the *Notice of Hearing and Order to Show Cause* by certified mail return receipt requested on February 24, 2020 to Respondent. The *Notice of Hearing and Order to Show Cause*, filed on February 24, 2020, stated the matters asserted, and stated the time, place and nature of the hearing, cited legal authority and jurisdiction, and referred to particular sections of the statutes involved.

6. The hearing was recorded electronically by an employee of the Oklahoma Insurance Department. Neither party has requested a full stenographic record of the proceedings.

7. The following exhibits were introduced and admitted:

- a) Exhibit A: SIU Report from CNO Services regarding Derek Porras
- b) Exhibit B: Spreadsheet from CNO Services listing fictitious policies
- c) Exhibit C: Fictitious Policy submitted by Derek Porras for G. Garcia

- d) Exhibit D: Fictitious Policy submitted by Derek Porras for S. Trout
- e) Exhibit E: Fictitious Policy submitted by Derek Porras for C. Sharpe
- f) Exhibit F: Fictitious Policy submitted by Derek Porras for N. Rodriguez

8. The following witnesses were sworn and testified under oath:

- a) April Moore, Investigator with OID.

9. The Anti-Fraud Unit of the Oklahoma Insurance Department received a complaint from Investigator Angela K. Rhone with CNO Services, LLC, alleging former agent for Washington National Insurance Company (“Washington National”), Respondent Porras, submitted 42 fictitious policies. Investigator April Moore investigated the matter on behalf of the Oklahoma Insurance Department. (Testimony of April Moore)

10. Respondent was appointed with Washington National from April 2016 to December 2017, in which time he submitted 42 fictitious policies from 12 different individuals. (Testimony of April Moore) (See Exhibit A).

11. Respondent listed his home address on the policy applications as the insured’s address and provided his personal bank account information on the policies to pay the initial premium. (Testimony of April Moore) (See Exhibit B) (See Exhibits C-F)

12. During an interview with April Moore, Respondent admitted to opening the fictitious policies and paying the initial premium for the policies. Respondent indicated the insureds were aware he was paying the initial premium for them, but that it was up to them to keep the policy in effect and to pay the other premiums. Respondent also indicated some of the policy applications were signed by him and others were signed in person by the insured. (Testimony of April Moore)

CONCLUSIONS OF LAW

13. That OID has jurisdiction over this matter and Respondent pursuant to *36 O.S. § 1435.1 et seq.*

14. That Respondent is licensed by the OID as a resident producer pursuant to *36 O.S. § 1435.1 et seq.*

15. That Respondent was provided adequate notice and a hearing pertaining to the Notice of Hearing and Order to Show Cause filed on February 24, 2020, in accordance with the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act.

16. Based upon the above provided findings of fact there is clear and convincing evidence to find that Respondent violated the following:

- a) *36 O.S. § 1435.13(A)(8)*, demonstrating untrustworthiness and using the dishonest practice of submitting forty-two (42) fictitious policies from twelve (12) different individuals to Washington National Insurance Company.
 - b) *36 O.S. § 1204(8)*, engaging in the unfair trade practice of rebating by personally paying the initial premium on the fictitious policies.
- 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. 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, also 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.

ORDER

IT IS THEREFORE ORDERED that Derek Saun Porras' resident insurance producer license number 17902015 is hereby revoked. Respondent is ordered to pay the costs of the proceeding in the amount of \$125.00 and is fined \$100.00 per individual (\$1200.00 total). The Insurance Commissioner shall notify all appointing insurers of the revocation and shall notify the Central Office the National Association of Insurance Commissioners of Respondent's revocation.

Done this 12 day of October, 2020.




STEPHAN MATHIS
INDEPENDENT HEARING EXAMINER
OKLAHOMA INSURANCE DEPARTMENT

CERTIFICATE OF MAILING

I, Antuanya "Bo" DeBose, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 13th day of October, 2020 to:

Derek Saun Porras
702 West Main Street
Weatherford, Oklahoma 73096

CERTIFIED MAIL NO:
9214 8902 0982 7500 0317 36

and that a copy was delivered to:

Licensing Division


Antuanya "Bo" DeBose



20-0043-DIS
ASD

Date Produced: 10/19/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0317 36. Our records indicate that this item was delivered on 10/14/2020 at 03:28 p.m. in WEATHERFORD, OK 73096. The scanned image of the recipient information is provided below.

Signature of Recipient :

J M R

C004-CV19

Address of Recipient :

**702 W MAIN ST
WEATHERFORD, OK 73096**

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

DEREK SAUN PORRAS
702 W MAIN ST
WEATHERFORD OK 73096-4650

Customer Reference Number: C2316493.13179621