

**FILED**

**AUG 28 2020**

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

**INSURANCE COMMISSIONER  
OKLAHOMA**

STATE OF OKLAHOMA, ex rel. GLEN )  
MULREADY, Insurance Commissioner, )  
 )  
Petitioner, )  
v. )  
 )  
BEVERLY S. HOUSTON, )  
a resident producer, )  
 )  
Respondent. )

**Case No. 20-0274-DIS**

**AGREED ORDER**

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through counsel, Antuanya "Bo" DeBose, and Respondent Beverly S. Houston, and agree to entry of this Order.

**JURISDICTION**

The parties stipulate to the following:

1. Glen Mulready 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. §§ 101-7401, including the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 et seq..
2. Respondent Beverly S. Houston ("Respondent") holding license number 100201047, is licensed by the State of Oklahoma as a resident insurance producer as defined and required by 36 O.S. § 1435.2(7). Her address of record is 4645 W Gore Boulevard Suite B, Lawton, Oklahoma 73505-5962.
3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. § 1435.13(A) and (D).

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

#### **FINDINGS OF FACT**

1. On or about March 14, 2020, Farmers Insurance ("Farmers") filed a complaint with the Oklahoma Insurance Department ("OID") based on Respondent's failure to promptly remit cash premium deposits. Investigator Jon Huntington with the OID's Anti-Fraud Unit was assigned to the case.

2. Farmers used a data analytics tool and identified Respondent as having cash premium deposits outstanding. Investigator Michael Vidal was assigned to the case on behalf of Farmers and conducted an investigation ("Investigation").

3. Respondent was appointed with Farmers August 8, 2015 through May 14, 2020. Respondent's appointment agreement with Farmers was terminated for cause on May 14, 2020 after the Investigation revealed Respondent receipted twenty-four (24) cash premium payments and two (2) check payments totaling \$4,621.15 between July 2018 and December 2019 but failed to make the correct corresponding deposits. Farmers recovered the funds through twenty-five (25) folio deductions. Twenty-three (23) of the folio deductions were the result of the Respondent crediting the insureds' policies and remitting trust account checks to Farmers, but the trust account checks were returned for insufficient funds.

4. The Investigation also revealed Respondent receipted fictitious payments to her personal policies eighteen (18) times between October 2018 and January 2020. By remitting fictitious payments, Respondent was able to maintain coverage without payment. No claims were paid as a result.

5. During a telephone interview on March 10, 2020 conducted by Investigator Michael Vidal, Respondent stated she set up a trust account at a local bank where she deposited customers' cash premium payments, then wrote trust account checks and mailed them to Farmers along with any customer check payments. Respondent stated she deposited twenty-four (24) customer cash payments into her trust account, then withdrew the funds to help pay expenses of the agency. Respondent signed a statement at the conclusion of the interview. Following the interview, Farmers reviewed trust account records provided by Respondent from November 2018 through February 2020 which showed Respondent had a total of one hundred one (101) overdraft charges in her trust account since November 2018.

6. During a telephone interview with Investigator Jon Huntington on June 2, 2020, Respondent again admitted to making cash withdrawals from the trust account to pay for rent, office supplies, and business expenses. Respondent stated she took advantage of Arvest bank's \$400 overdraft protection, but later discovered Arvest was charging her \$17 each time she withdrew cash from the trust account, causing her trust account checks to Farmers to be returned for insufficient funds. When contacted by Farmers Accounting Department regarding the returned checks, Respondent told them to take the funds from her folio. Respondent claims she was unable to replace the cash because the money was spent on agency expenses.

7. 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:

- a. Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.
- b. 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.

#### **CONCLUSIONS OF LAW**

1. Respondent violated 36 O.S. §1435.13(A)(4) by receipting twenty-four (24) cash premium payments and two check payments totaling \$4,621.15, while failing to make the correct corresponding deposits. As a result, when Respondent remitted trust account checks to Farmers, the checks were returned for insufficient funds. Respondent misappropriated the funds, instead using the premium payments to pay agency expenses.

2. Respondent also violated 36 O.S. §1435.13(A)(8), showing financial irresponsibility by admitting she used customers' premium payments to pay business expenses and for having a total of one hundred one (101) overdraft charges in her trust account since November 2018. Respondent demonstrated untrustworthiness by receipting

fictitious payments to her personal policies eighteen (18) times between October 2018 and January 2020 and maintaining coverage without payment.

**ORDER**

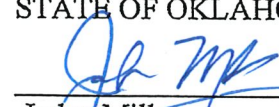
**IT IS THEREFORE ORDERED** by the Insurance Commissioner and AGREED by the Respondent that her Oklahoma Resident Producer License Number 100201047 is hereby REVOKED.

**IT IS FURTHER ORDERED** by the Insurance Commissioner and AGREED by the Respondent that Respondent is hereby FINED in the amount of ONE HUNDRED DOLLARS (\$100.00). The fine shall be paid within thirty (30) days from the date of this Agreed Order and made payable to the Oklahoma Insurance Department, located at 400 NE 50<sup>th</sup> Street, Oklahoma City, Oklahoma 73112. Failure to comply with a proper order of the Commissioner will result in further administrative action.


**WITNESS** My Hand and Official Seal this 23<sup>rd</sup> day of August 2020.



GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

  
\_\_\_\_\_  
Judge Miller  
Hearing Examiner

AGREED TO:

  
\_\_\_\_\_  
Antuanya "Bo" DeBose  
ASSITANT GENERAL COUNSEL

  
\_\_\_\_\_  
Beverly S. Houston  
RESPONDENT

**CERTIFICATE OF MAILING**

I, Antuanya "Bo" DeBose, hereby certify that a true and correct copy of the above and foregoing Agreed Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 28 day of August, 2020 to:

Beverly S. Houston  
PO Box 308  
Marlow, Oklahoma 73055

*Certified Mail Number*  
**9214 8902 0982 7500 0309 51**

and that a copy was delivered to: Licensing Division



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Antuanya "Bo" DeBose

Date Produced: 09/14/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0309 51. Our records indicate that this item was delivered on 09/09/2020 at 12:50 p.m. in MARLOW, OK 73055. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



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:

BEVERLY S HOUSTON  
PO BOX 308  
MARLOW OK 73055-0308

Customer Reference Number: C2240735.12732904

Return Reference Number: SMS/20-0274-DIS (ASD)/Agreed Order

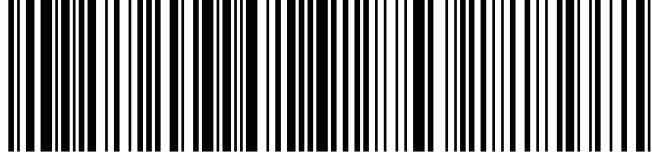
**Return address:**

OKLAHOMA INSURANCE DEPARTMENT  
5 CORPORATE PLAZA  
OKLAHOMA CITY, OK 73112

**Recipient address:**

BEVERLY S HOUSTON  
PO BOX 308  
MARLOW OK 73055-0308

MAILING DATE: 08/28/2020  
DELIVERY DATE: 09/09/2020

**USPS CERTIFIED MAIL**

9214 8902 0982 7500 0309 51

**USPS Tracking Label Number: 9214 8902 0982 7500 0309 51**

| USPS Tracking History                   | Location               | Date / Time      |
|---|------------------------|------------------|
| PRE-SHIPMENT INFO SENT USPS AWAITS ITEM | OKLAHOMA CITY,OK 73105 | 08/28/2020 15:19 |
| SHIPMENT RECEIVED ACCEPTANCE PENDING    | OKLAHOMA CITY,OK 73118 | 08/28/2020 15:26 |
| ORIGIN ACCEPTANCE                       | OKLAHOMA CITY,OK 73105 | 08/28/2020 17:25 |
| PROCESSED THROUGH USPS FACILITY         | OKLAHOMA CITY,OK 73107 | 08/28/2020 18:40 |
| DEPART USPS FACILITY                    | OKLAHOMA CITY,OK 73107 | 08/28/2020 20:45 |
| PROCESSED THROUGH USPS FACILITY         | OKLAHOMA CITY,OK 73107 | 08/30/2020 03:10 |
| AVAILABLE FOR PICKUP                    | MARLOW,OK 73055        | 08/31/2020 07:31 |
| AVAILABLE FOR REDLVRY OR PICKUP         | MARLOW,OK 73055        | 08/31/2020 07:35 |
| REMINDER TO SCHEDULE REDELIVERY         | MARLOW,OK 73055        | 09/05/2020 03:08 |
| DELIVERED                               | MARLOW,OK 73055        | 09/09/2020 12:50 |

CASE NUMBER: 20-0274-DIS  
DEPARTMENT: LEGAL/ASD  
SENDER: SMS  
CUSTOM 4: AGREED ORDER