

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

**FILED**

**SEP 30 2019**

**INSURANCE COMMISSIONER  
OKLAHOMA**

**STATE OF OKLAHOMA, ex rel. GLEN )  
MULREADY, Insurance Commissioner, )**

Petitioner, )

vs. )

CASE NO. 19-0314-DIS

**LAKEFRONT PROCUREMENT, LLC, a )  
licensed insurance company in the State of )  
Oklahoma, )**

Respondent. )

**FINAL ORDER**

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner,  
by and through counsel, Ron Kreiter, and alleges and states as follows:

**JURISDICTION**

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.

2. Respondent Lakefront Procurement, LLC ("Respondent") is a captive insurer licensed in the State of Oklahoma Certificate of Authority number 503001388.

3. Respondent was provided a Conditional Administrative Order and Notice of Right To Be Heard which was mailed August 12, 2019 and received at 215 W. Second, Waxahachie, TX 75165 on August 20, 2019 and 1406 Terrace Drive, Tulsa, OK 74104, on August 14, 2019. No response or written request for a hearing was received by the Oklahoma Department of Insurance within the thirty (30) day requirement from the date of mailing.

### **FINDINGS OF FACT**

4. Respondent, as a Captive Insurance Company, is required to renew their license by March 1 each year. 36 O.S. § 6470.3(D).

5. Based upon OID records, Respondent has failed to renew their license on March 1, 2019 and pay the Three Hundred Dollar (\$300.00) renewal fee pursuant to 36 O.S. § 6470.3(D). OID had attempted to contact Respondent several times to resolve their delinquency, to no avail.

6. Respondent, as a Captive Insurance Company, is required to file annual statements by March 1 of each year as well as an annual audit. 36 O.S. § 6470.11(B) and Rule 365:25-15-3.

7. Respondent has failed to file an annual statement for 2018 and has not presented an annual financial audit for the calendar year, nor did the Respondent request a timely waiver for that filing. OID had attempted to contact Respondent several times to resolve their delinquency, to no avail.

8. Respondent, as a Captive Insurance Company, is required to file and pay to the Department by March 1 of each year, a tax at the rate of two tenths of one percent (0.2%) on the direct written premiums collected or contracted for on policies or contracts of insurance written by the captive insurance company during the year end December 31 according to 36 O.S. § 6470.19.

9. Respondent has not filed or paid the premium tax for calendar year 2018, or paid the minimum tax amount required by 36 O.S. § 6470.19. OID had attempted to contact Respondent several times to resolve their delinquency, to no avail.

10. Respondent, as a Captive Insurance Company, is required to maintain certain unimpaired aggregate paid-in capital and surplus amounts designated in the statute. 36 O.S. § 6470.6.

11. Respondent has not filed an annual statement or audit for 2018. Therefore, OID could not determine if adequate unimpaired aggregate paid-in capital and surplus amounts designated in the statute, 36 O.S. § 6470.6, have been made. OID had attempted to contact Respondent several times to resolve their delinquencies, to no avail.

### **CONCLUSIONS OF LAW**

12. Respondent has violated 36 O.S. § 6470.3(D) by failing to renew their license for 2019 and pay the fee of Three Hundred Dollars (\$300.00) each year.

13. Respondent has violated 36 O.S. § 6470.11(B) by failing to file an annual statement and audit (365:25-15-3) that would cover the 2018 time period.

14. Respondent has violated 36 O.S. § 6470.19 by failing to file and pay the required or minimum premium taxes for the 2018 time period.

15. Respondent has violated 36 O.S. § 6470.6 by failing to verify if adequate unimpaired aggregate paid-in capital and surplus amounts have been maintained.

16. Respondent has violated 36 O.S. § 6470.20 by failing to make returns or pay all taxes required by the statutes and are subject to sanctions.

### **ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner that Respondent is **ORDERED TO PAY THE MINIMUM TAX ASSESSMENT OF FIVE THOUSAND DOLLARS (\$5,000.00)** for the calendar year 2018 for a total of **FIVE THOUSAND**

**DOLLARS (\$5,000.00)** pursuant to 36 O.S. § 6470.19 . The \$5,000 tax is to be paid within thirty (30) days of this Order made payable to the Oklahoma Insurance Department. The \$5,000.00 tax shall be paid by money order or cashier's check.

**IT IS FURTHER ORDERED** by the Insurance Commissioner that based upon other evidence as stated above, the Respondent shall have their Captive Insurance Company license (SBS #503001388) revoked and be fined Five Thousand Dollars (\$5,000.00) for each occurrence of failing to file an annual statement for 2018, failing to file an annual audit (2018), failing to verify adequate unimpaired aggregate paid-in capital and surplus amounts for calendar year 2018 and failing to file an annual tax report for 2018 and failing to be properly licensed for 2019, for a total civil fine of Twenty-five Thousand Dollars (\$25,000.00) payable to the Oklahoma Insurance Department within thirty (30) days of this Order.

**WITNESS** My Hand and Official Seal this 27 day of September, 2019.



GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

BY   
Tyler Laughlin  
Chief of Staff



**CERTIFICATE OF MAILING**

I, Ron Kreiter, 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 30<sup>th</sup> day of September, 2019, to:

Lakefront Procurement, LLC  
1406 Terrace Drive  
Tulsa, OK 74104

***Certified Mail Number***

***9214 8902 0982 7500 0240 59***

Lakefront Procurement, LLC  
215 Second  
Waxahachie, TX 75165

***Certified Mail Number***

***9214 8902 0982 7500 0240 66***

and that a copy was delivered to:

Comptroller Division  
Financial Division



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