

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
MAR 11 2021
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
RICHARD LEROY CAIN,)
a resident producer,)
)
Respondent.)

Case No. 20-0388-DIS

AGREED ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through counsel, Antuanya "Bo" DeBose, and Respondent Richard Leroy Cain, by and through counsel James Gilmartin, 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 Richard Leroy Cain ("Respondent Cain") holding license number 104326, 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 4805 Gene Autry Road, Ardmore, Oklahoma 73401-8778.
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. The Insurance Commissioner, pursuant to 36 O.S. § 319, has appointed an independent hearing examiner who shall sit as a quasi-judicial officer.

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

STIPULATIONS OF FACT

1. Farmers Insurance Company ("Farmers") initiated an investigation after receiving notification that Respondent Richard Leroy Cain ("Respondent Cain") appeared to be using his personal email address and personal bank account on customer accounts to improperly obtain the "Go Paperless" and "EFT" discounts.

2. As an agent, Respondent Cain was responsible for oversight of his agency.

3. On or about August 19, 2019, the Anti-Fraud Unit of the Oklahoma Insurance Department ("OID") received an online complaint from Farmers alleging Respondent Cain and staff member Crystal Maggard used deceptive practices by providing ineligible customers with discounts and reinstating policies without collecting the earned premium. OID assigned Investigator April Moore to follow up.

4. The investigation revealed that Respondent Cain and staff member Crystal Maggard manipulated Farmers billing and policy systems between January 2017 through February 2019 to provide coverage to their insureds without them paying the premium owed. Additionally, Respondent Cain and staff member Crystal Maggard entered agency email addresses and bank account information to fraudulently obtain the "Go Paperless" and "EFT" discounts.

5. Respondent Cain used his personal bank account information to provide EFT discounts for 179 policies. This discount is supposed to be based on the personal bank information of the insured, not the agent.

6. Farmers found the email address cains_insurance@yahoo.com was used to support the Go Paperless discount for 21 policies between November 2015 and December 2018. This email address belongs to the agency, not the insureds.

7. Respondent Cain admits he used the cains_insurance@yahoo.com email address to obtain the paperless discount and his personal bank account information to obtain the EFT discount from Farmers.

8. The investigation also revealed 178 of Respondent Cain's policies cancelled for nonpayment of premium, but were then rewritten one or more times between January 2017 and February 2019. Prior earned premium was not paid on any of the policies.

9. 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. 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 Cain violated 36 O.S. §1435.13(A)(8), using fraudulent and dishonest practices and demonstrating untrustworthiness by using his agency email address and personal bank account to apply Farmers "Go Paperless" and "EFT" discounts to policies that did not qualify for them. Additionally, Respondent Cain violated 36 O.S. §1435.13(A)(8) by rewriting the risks on policies and failing to collect the prior earned premium due.

ORDER

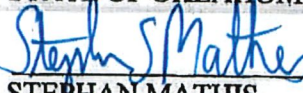
IT IS THEREFORE ORDERED by the Insurance Commissioner and **AGREED** by Respondent Cain that his resident producer license number 104326 is hereby **REVOKED**.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner and **AGREED** by Respondent Cain that he 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 50th Street, Oklahoma City, Oklahoma 73112. Failure to comply with a proper order of the Commissioner will result in further administrative action.

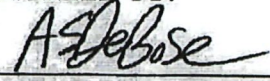
WITNESS My Hand and Official Seal this 11 day of March, 2021.



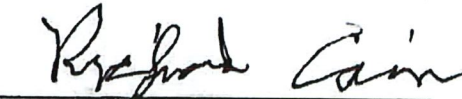
GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA


STEPHAN MATHIS
Hearing Examiner

AGREED TO:


Antuanya "Bo" DeBose
ASSITANT GENERAL COUNSEL


James R. Gilmartin
ATTORNEY FOR RESPONDENT RICHARD CAIN


Richard Leroy Cain
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 11 day of March, 2021 to:

Richard Leroy Cain
PO Box 254
Burneyville, Oklahoma 73430

CERTIFIED MAIL NO:
9214 8902 0982 7500 0354 75

James R. Gilmartin
333 West Main Street, Suite 435
Ardmore, Oklahoma 73401

CERTIFIED MAIL NO:
9214 8902 0982 7500 0354 82

and that a copy was delivered to:

Licensing Division


Antuanya "Bo" DeBose



20-0388-DIS

(Cain)

ASD

Date Produced: 03/22/2021

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0354 75. Our records indicate that this item was delivered on 03/17/2021 at 12:05 p.m. in BURNEYVILLE, OK 73430. The scanned image of the recipient information is provided below.

Signature of Recipient :

Richard Cain
RICHARD CAIN

Address of Recipient :

Box 254

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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:

RICHARD LEROY CAIN
P.O. BOX 254
BURNEVILLE, OK 73430

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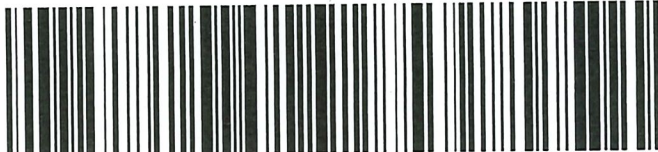


**OKLAHOMA
INSURANCE
DEPARTMENT**

Legal Division
Insurance Commissioner Glen Mull
400 NE 50th Street
Oklahoma City, OK 73105

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