

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

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
vs.)
)
FIRST CONTINENTAL LIFE AND)
ACCIDENT INSURANCE COMPANY, a)
business entity licensed as a foreign insurer in the)
State of Oklahoma,)
)

FILED
SEP 09 2021
INSURANCE COMMISSIONER
OKLAHOMA

CASE NO. 21-0313-DIS

Respondent.

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner,
by and through counsel, Antuanya “Bo” DeBose, 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*, including Authorization of Insurers and General Requirements, *36 O.S. § 601 et seq.*.
2. Respondent First Continental Life and Accident Insurance Company (“Respondent”) holding NAIC CoCode 64696, is licensed by the State of Oklahoma as a foreign insurer. Respondent’s address of record is 101 Park Lane Blvd, Suite 300, Sugar Land, TX 77478.
3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to *36 O.S. § 630*.
4. If Respondent requests a hearing in writing in this matter, pursuant to *OAC 365:1-7-1*, the

Insurance Commissioner, pursuant to *36 O.S. § 319*, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing requested by Respondent.

5. The Insurance Commissioner, pursuant to *OAC 365:1-7-5*, upon written request reasonably made by a person affected by the hearing and at such person's expense, shall cause a full stenographic record of the proceedings to be made by a competent court reporter.

FINDINGS OF FACT

6. Pursuant to *36 O.S. §624(A)*, every insurance company doing business in this state as an insurance company of any nature or character whatsoever shall annually, on or before the first day of March, report under oath of the president or secretary or other chief officer of such company to the Insurance Commissioner the total amount of direct written premiums, membership, application, policy and/or registration fees charged during the preceding calendar year. The insurance company is also required to pay an annual license fee and an annual tax on all direct written premium.

7. Respondent failed to report any direct written premium to the Oklahoma Insurance Department ("OID") for premiums written in Oklahoma for 2019 and 2020.

8. Respondent reported to the National Association of Insurance Commissioners ("NAIC") \$190,839.00 in Oklahoma direct written premium for 2019.

9. Respondent reported to NAIC \$79,995.00 in Oklahoma direct written premium for 2020.

10. Respondent has failed to pay any premium tax on the Oklahoma direct written premiums for 2019 and 2020.

11. Pursuant to *36 O.S. §630*, "Failure to make such payments timely shall subject the insurance company to a penalty of ten percent (10%) of the tax due and said tax and penalty shall

be further subject to interest at the rate of six percent (6%) per annum, from the date said payment should have been paid, until the tax, penalty and interest are paid.”

12. Pursuant to *36 O.S. §624(B)*, “. . . Any company, except health maintenance organizations, failing to make such returns and payments promptly and correctly shall forfeit and pay to the Insurance Commissioner, in addition to the amount of the taxes and fees and interest, the sum of Five Hundred Dollars (\$500.00) or an amount equal to one percent (1%) of the unpaid amount, whichever is greater; and the company so failing or neglecting for sixty (60) days shall thereafter be debarred from transacting any business of insurance in this state until the taxes, fees and penalties are fully paid, and the Insurance Commissioner shall revoke the license or certificate of authority granted to the agent or agents of that company to transact business in this state. . .”

CONCLUSIONS OF LAW

13. Respondent has violated *36 O.S. §624(A)* by failing to report the total amount of direct written premiums written in Oklahoma for 2019 and 2020.

14. Respondent has violated *36 O.S. §624(A)(2)* by failing to remit annual tax on all direct written premiums in Oklahoma for 2019 and 2020.

ORDER

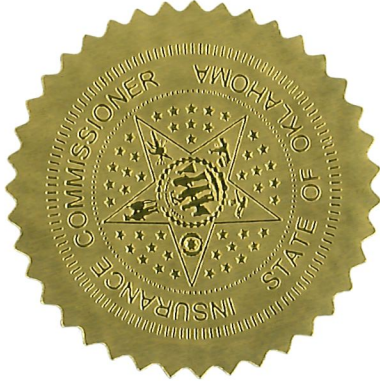
IT IS THEREFORE ORDERED that Respondent remit its premium tax liability to OID for the year 2019 in the amount of Four Thousand Two Hundred Ninety Three dollars and Eighty Eight cents (**\$4,293.88**). The Respondent is also ordered to pay Four Hundred Twenty-Nine Dollars and Thirty Eight Cents (**\$429.38**) as a penalty for failing to timely pay the 2019 premium tax liability.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Respondent remit

its premium tax liability to OID for the year 2020 in the amount of One Thousand Seven Hundred Ninety-Eight Dollars and Ninety Nine Cents (**\$1,798.99**). The Respondent is also ordered to pay One Hundred Seventy-Nine Dollars and Eighty-Nine Cents (**\$179.89**) as a penalty for failing to timely pay the 2020 premium tax liability. These sums shall be paid within 30 days of the date of this Conditional Administrative Order and made payable to the Oklahoma Insurance Department. The tax liability and penalty shall be sent to the Oklahoma Insurance Department located at 400 NE 50th Street, Oklahoma City, Oklahoma 73105. Failure to comply with a proper order of the Commissioner will result in further administrative action.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless Respondent requests a hearing with respect to the Findings of Fact set forth above within 30 days of the date of this Conditional Order, the penalties set forth above will become a Final Order on the 31st day following the date of mailing this Order. A request for hearing should be in writing and addressed to Antuanya “Bo” DeBose, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105. The request for hearing must state the grounds for the request to set aside or modify the Order and must be served on the Oklahoma Insurance Department within the 30 days allotted. The proceedings on such requested hearing will be conducted in accordance with the Oklahoma Insurance Code, *36 O.S. §§ 101 et seq.*, and the *Oklahoma Administrative Procedures Act*, *75 O.S. §§ 250 through 324*. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order will act as a notice of the matters to be reviewed at the hearing and the Findings of Fact, Conclusions 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 9th day of September 2021.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

As DeBose

Antuanya "Bo" DeBose
Assistant General Counsel
Oklahoma Insurance Department
400 NE 50th Street
Oklahoma City, Oklahoma, 73105
Tel. (405) 521-2746
Fax (405) 522-0125

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing *Conditional Order* was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this 9th day of July, 2021, to:

First Continental Life and Accident Insurance Company
101 Park Lane Blvd, Suite 300
Sugar Land, Texas 77478

CERTIFIED MAIL NO.

9214 8902 0982 7500 0399 47

and a copy was delivered to:

Financial Division

As DeBose

Antuanya "Bo" DeBose
Assistant General Counsel



21-0313-Dis
ADD

Date Produced: 09/20/2021

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0399 47. Our records indicate that this item was delivered on 09/13/2021 at 12:31 p.m. in SUGAR LAND, TX 77478. The scanned image of the recipient information is provided below.

Signature of Recipient :

COVP
C Reed

Address of Recipient :

101
Parklane
307

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:

FIRST CONTINENTAL LIFE AND ACCIDENT
INSURANCE COMPANY
STE 300
101 PARKLANE BLVD
SUGAR LAND TX 77478-5522

Customer Reference Number: C2925971.16804299