

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
APR 04 2022
INSURANCE COMMISSIONER
OKLAHOMA

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

Petitioner,

v.

CONWAY E & S INC., an applicant for
reactivation of a non-resident business entity
insurance producer license in the State of
Oklahoma

Respondent.

CASE NO. 21-0298-DIS

**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 his attorney, Molly K. Clinkscales, and alleges and states as follows:

JURISDICTION

1. The Insurance Commissioner of the State of Oklahoma, Glen Mulready, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.*, including the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1 through 1435.41.

2. Conway E & S, Inc. ("Respondent") is an applicant for reactivation of a non-resident business entity insurance producer license in the State of Oklahoma. Its address of record is 100 Allegheny Drive, Suite 100, Warrendale, Pennsylvania 15086.

3. 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 and/or

may levy a civil fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Producer Licensing Act, 36 O.S. § 1435.13(A) and (D).

FINDINGS OF FACT

1. Records of the Oklahoma Insurance Department (“Department”) show that Respondent’s nonresident business entity insurance producer license became inactive on May 31, 2019.

2. Respondent applied for renewal of its license on or about June 24, 2019. On June 26, 2019, the Department issued an audit letter requiring Respondent to disclose any instances of Respondent acting as an insurance producer in the State of Oklahoma since May 31, 2019. Respondent never filed a response to the audit letter. Accordingly, the Department withdrew Respondent’s application.

3. Respondent applied for reactivation of its license on or about August 27, 2020. Shortly thereafter, on or about August 31, 2020, the Department issued an audit letter requiring Respondent to disclose any instances of Respondent acting as an insurance producer in the State of Oklahoma since May 31, 2019. Again, Respondent never filed a response to the audit letter and the Department withdrew Respondent’s application on October 13, 2020.

4. On April 19, 2021, Respondent applied for reactivation of its license for a third time.

5. Upon receipt of Respondent’s April 19, 2021, application, the Department’s Licensing Division again issued an audit letter requiring Respondent to disclose any instances of Respondent acting as an insurance producer in the State of Oklahoma since May 31, 2019.

6. On April 20, 2021, Respondent filed a response to the Department’s audit letter and disclosed nineteen (19) occurrences of selling, soliciting, negotiating, or quoting insurance in the

State of Oklahoma between the dates of May 31, 2019, and April 20, 2021, when its license was expired or inactive.

7. On April 21, 2021, the Department issued a follow-up letter requiring Respondent to provide a detailed explanation for why insurance producer business was conducted while the license was expired and/or inactive as well as a detailed explanation as to why it did not respond to two previous inquiries from the Department regarding whether insurance producer business was conducted while Respondent's license was not active. To date, Respondent has not filed a response to this inquiry issued to it by the Department.

8. Pursuant to 36 O.S. § 1250.4(B), any person subject to the jurisdiction of the Insurance Commissioner that receives an inquiry from the Insurance Commissioner must respond within twenty (20) calendar days from the date of receipt of the inquiry.

9. Under 36 O.S. § 1435.4(A), no person, including a business entity, "shall sell, solicit, or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority"

10. Pursuant to 36 O.S. § 1435.7(B), business entity producers must maintain an insurance producer license to sell, solicit, or negotiate insurance in Oklahoma for any class or classes of insurance.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. §§ 1435.4(A) and 1435.7(B) by conducting the insurance-related business of selling, soliciting, or negotiating nineteen (19) insurance policies between the dates of May 31, 2019, and April 20, 2021, when its license was expired or inactive.

2. Respondent violated 36 O.S. § 1250.4(B) by failing to respond to letters of inquiry issued to it by duly appointed representatives of the Insurance Commissioner regarding Respondent conducting insurance-related business while its license was expired or inactive.

NOTICE OF RIGHT TO BE HEARD

The Insurance Commissioner may hold hearings over any matter within his jurisdiction at his own motion or by granting the written demand of a person aggrieved by an act of the Insurance Commissioner. OAC 365:1-7-1.

Respondent may request a hearing for this matter in writing pursuant to OAC 365:1-7-1. The request for hearing must specify the grounds to be relied upon as a basis for to set aside or modify this Conditional Order. If a hearing is requested, the Insurance Commissioner will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing in accordance with 36 O.S. § 319.

A request for hearing shall be in writing and addressed to Molly Clinkscales, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma, 73105. The request shall be served on the Oklahoma Insurance Department within the thirty (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. §§ 250–323. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall 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.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. §§ 1250.4(B), 1435.4(A), and 1435.7(B) and as a result **Respondent is FINED** in the amount of **ONE THOUSAND DOLLARS (\$1,000.00)**. **The Fine is to be paid within thirty (30) days of receipt of this Order.** The \$1,000.00 civil fine shall be paid by money order or cashier's check. Respondent's reactivation application for a non-resident business entity producer license may be granted upon receipt of payment of the fine. Failure to pay the civil fine or request a hearing within thirty (30) days of mailing this Order may result in license application being withdrawn.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Findings of Fact and Conclusions of Law set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above will become a Final Order on the thirty-first day following the date of mailing this Order.

WITNESS My Hand and Official Seal this 31 day of March, 2022.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



Molly K. Clinkscales, OBA #33862
Assistant General Counsel
400 NE 50th Street
Oklahoma City, OK 73105
Telephone: (405) 521-4036

CERTIFICATE OF MAILING

I, Molly K. Clinkscales, 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 4th day of April, 2022, to:

Conway E & S Inc.
100 Allegheny Drive, Suite 100
Warrendale, PA 15086

CERTIFIED MAIL NO:
9214 8902 0982 7500 0451 91

And a copy was delivered to:

Oklahoma Insurance Licensing Division


Molly K. Clinkscales



210298-015
MKC

Date Produced: 04/11/2022

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0451 91. Our records indicate that this item was delivered on 04/08/2022 at 11:33 a.m. in WARRENDALE, PA 15086. The scanned image of the recipient information is provided below.

Signature of Recipient :

Michael
Michael

Address of Recipient :

**100 ALLEGHENY DR STE 100
WARRENDALE, PA 15086**

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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.

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CONWAY E & S INC
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