

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

STATE OF OKLAHOMA, *ex rel.* GLEN)
MULREADY, *Insurance Commissioner,*)
)
) *Petitioner,*)
)
vs.)
)
CHETT EVERSON, *a licensed resident*)
insurance producer,)
)
) *Respondent.*)
License No. 100243268)

Case No.: 23-0478-DIS

FILED
FEB 07 2024
INSURANCE COMMISSIONER
OKLAHOMA

**CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD**

Petitioner, the State of Oklahoma, *ex rel.* Glen Mulready, Insurance Commissioner (“Commissioner”), for this action against Respondent Chett Everson (“Respondent”), alleges and states as follows:

JURISDICTION

1. Glenn Mulready is the Insurance Commissioner of the State of Oklahoma and is charged with enforcing all provisions of the Oklahoma Insurance Code, OKLA. STAT. tit. 36, §§ 101, *et seq.*, and specifically the Oklahoma Producer Licensing Act (the “Act”), OKLA. STAT. tit. 36, §§ 1435.1, *et seq.*, and has jurisdiction over this matter. OAC 365:1-1-3.

2. Respondent holds an Oklahoma resident Insurance Produce License, with License No. 100243268, pursuant to the Act, OKLA. STAT. tit. 36, § 1435.7, and holds a National Producer License with License No. 17778758.

RIGHT TO HEARING

3. Respondent may request that a hearing be held regarding the allegations asserted in this Conditional Order. OAC § 365:1-7-1(b).

4. A request for a hearing must be in writing, whether by mail or electronic mail, must state the specific grounds to be relied upon as a basis for setting aside or modifying this Conditional Order, and should be addressed to Seth D. Coldiron, Assistant General Counsel, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105, or, electronically, seth.coldiron@oid.ok.gov. OAC § 365:1-7-1(a).

5. All hearings are open to the public, and Respondent has a right to appear in person and with counsel to present evidence, examine witnesses, and make oral arguments. 75 O.S. §§ 309(C) & 310(3) & (5); OAC § 365:1-7-4(a)-(b).

6. If a hearing is requested, a person affected thereby may, at his or her expense, request a stenographic record of the proceeding be made by a competent court reporter. 75 O.S. § 309(G); OAC § 365-1-7-5(a).

7. The proceedings shall be conducted in accordance with the Oklahoma Administrative Procedures Act, OKLA. Stat. tit. 75, §§ 250 *et seq.*, and the promulgated rules pertaining to the Administrative Operations of the Oklahoma Insurance Department, OKLA. ADMIN. CODE, §§ 365:1-7-1 *et seq.* 75 O.S. § 309 & 310; OAC §§ 365:1-7-1 – 365:1-7-9.

FINDINGS OF FACT

8. Respondent holds an active resident Insurance Producer's License with License No. 100243268, which he first obtained on November 16, 2015, was last renewed on March 1, 2022, and will expire on February 29, 2024.

9. Respondent is also a licensed resident insurance adjuster in Oklahoma.

10. On January 10, 2023, Respondent's former employer, Farmers Insurance Company ("Farmers"), notified the Oklahoma Insurance Department's (the "Department's") Anti-Fraud Unit ("Anti-Fraud") that he had been terminated on December 16, 2022, for cause.

11. Farmers' investigation of the Mathew Ramirez Agency (the "Ramirez Agency"), where Respondent worked as an insurance producer, revealed that he had engaged in dishonest practices in the conduct of insurance business by applying "Defensive Driver Discounts" to customers' policies without obtaining the proper documentation from the customer.

12. Farmers found twenty-two (22) policies that had been changed within forty-five (45) days of renewal where thirty-nine (39) drivers had received the Defensive Driver Discount without supporting documentation.

13. Respondent added fifteen (15) of those Defensive Driver Discounts, while another insurance producer with Ramirez Agency added another seven (7).

14. Farmers' subsequent audit of the Ramirez Agency revealed an additional fifty-three (53) policies had been changed with eighty-two (82) drivers receiving the Defensive Driving Discount without supporting documentation.

15. Respondent added thirty-four (34) of those Defensive Driver Discounts, while other insurance producers with Ramirez Agency added another nineteen (19).

16. Farmers' investigation noted that several of the policies also shared the same Defensive Driver course completion date.

17. On June 26, 2023, Investigator April Moore ("Moore") with the Department's Anti-Fraud interviewed Respondent.

18. Respondent told Moore that he did not know that he needed to obtain a certificate of completion for the Defensive Driving Discount to be applied.

19. Respondent explained to Moore that he was trained to ask customers if they completed the defensive driving course and, if the customer said that he or she did, then he would apply the Defensive Driving Discount.

20. Respondent told Moore that he did not believe he had done anything wrong until Farmers conducted its audit.

21. Respondent further explained to Moore that Farmers' system did not request documentation of the certificate of completion but, rather, only the date on which the customer completed the defensive driving course.

22. Respondent acknowledged to Moore that almost any document could be uploaded for Farmers' system.

23. On June 26, 2023, Moore interviewed Mathew Ramirez, the owner of the Ramirez Agency, who reported that he was unaware of Respondent applying the Defensive Driver Discount without obtaining the supporting documentation.

24. Ramirez acknowledged to Moore that Farmers' system only requests the date of completion of the defensive driver course to add the Defensive Driver Discount.

25. However, according to Ramirez, a certificate of completion can be uploaded to Farmers' system in the "general documents" section or stored in the customer's file.

26. In short, Respondent either knew or should have known that Farmers' customs, practices, policies, or procedures required its customers to self-validate any Defensive Driver Discounts applied by providing a certificate of completion for the defensive driving course.

27. Respondent either knew or should have known that (a) the Defensive Driver Discount was not to be applied until receiving a customer's certificate of completion, or (b) the

Defensive Driver Discount was to be removed from the customer's policy if he or she failed to self-validate by providing the certificate of completion.

28. Respondent is currently employed as an insurance adjuster with Progressive Insurance Company.

29. The Act provides, in pertinent part:

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 [...] or any combination of actions, for any one or more of the following causes:

[...]

8. Using [...] dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state [...]

36 O.S. § 1435.13(A)(8) (bracketed ellipses added).

30. Further, the Act provides, "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 more than One Thousand Dollars (\$1,000.00) for each occurrence." 36 O.S. § 1435.13(D).

CONCLUSIONS OF LAW

31. Respondent violated OKLA. STAT. tit. 36, § 1435.13(A)(8), by using dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

32. The Commissioner may refuse to register, suspend, or revoke the registration, or impose administrative fines of up to One Thousand Dollars (\$1,000.00) for each occurrence if he finds a violation any provisions of the Act. 36 O.S. § 1435.13(A) & (D).

CONDITIONAL ORDER

IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREED by the Commissioner that Respondent used dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in violation of the Act, OKLA. STAT. tit. 36, § 1435.13(A)(8), by applying Defensive Driver Discounts without obtaining the proper supporting documentation and a **CIVIL FINE** in the amount of **TWO HUNDRED AND FIFTY DOLLARS (\$250.00)** is, hereby, imposed.

IT IS ORDERED, ADJUDGED, AND DECREED that the civil fine imposed herein **SHALL BE PAID WITHIN THIRTY (30) DAYS** of the date of this Conditional Order. The civil fine shall be paid by money order or cashier's check made payable to the Oklahoma Insurance Department or "OID," with "Case No. 23-0477-DIS" written in the *subject or memo line*, and mailed or delivered to:

Oklahoma Insurance Department
Legal Division
400 NE 50th Street,
Oklahoma City, Oklahoma 73105

Failure to comply with a proper order of the Insurance Commissioner will result in further administrative action.

IT IS, FURTHER, ORDERED, ADJUDGED, AND DECREED by the Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Findings of Fact set forth above **WITHIN THIRTY (30) DAYS** of the date of this Conditional Order, it and the penalties set forth above will become a Final Order on the thirty-first (31st) day from the date of mailing. If the Respondent timely requests a hearing, this Conditional Order shall serve as 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 withdrawn, pending final resolution at the hearing.

WITNESS my hand and official seal this 7th day of February 2024.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



SETH D. COLDIRON (OBA No. 20041)

ASSISTANT GENERAL COUNSEL
400 NE 50th Street
Oklahoma City, Oklahoma 73105
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

Email: seth.coldiron@oid.ok.gov

*Attorney for Petitioner,
State of Okla., ex rel. Glen Mulready,
Ins. Comm'r*

CERTIFICATE OF MAILING

I, Seth D. Coldiron, hereby certify that a true and correct copy of the above and foregoing was mailed via **CERTIFIED MAIL**, return receipt requested, and **REGULAR MAIL**, postage prepaid, on February 7, 2024 to the following:

Via Certified Mail:

Chett Everson
[REDACTED]

Copies delivered to:

Investigator April Moore,
Anti-Fraud Unit

Certified Mail No.: 9214 8902 0982 7500 0596 00

Chett Everson
PROGRESSIVE INS. CO.
Claims Dep't
14000 Quail Springs Pkwy, Ste 600
Oklahoma City, OK 73134

Certified Mail No.: 9214 8902 0982 7500 0596 17

Respondent



SETH D. COLDIRON
ASSISTANT GENERAL COUNSEL