

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF OKLAHOMA

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OKLAHOMA INSURANCE DEPARTMENT

MAR 05 2010

STATE OF OKLAHOMA, ex rel. KIM)
HOLLAND, Insurance Commissioner,)
)
Petitioner,)
v.)
)
STEPHEN TREVOR STROUT, JR. a resident)
insurance producer,)
)
Respondent.)

Legal Division

Case No. 10-0056-DIS

FINAL ADMINISTRATIVE ORDER

COMES NOW the State of Oklahoma, ex rel. Kim Holland, Insurance Commissioner, by and through her attorney, Julie Delluomo, and alleges and states as follows:

JURISDICTION

1. Kim Holland is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.
2. Respondent Stephen Trevor Strout, Jr. is an Oklahoma producer holding license number 40024083. His address of record is 308 W. 42nd Street, Sand Springs, Oklahoma 74063.
3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Producer Licensing Act and/or may levy a civil penalty of \$100.00 to \$1,000.00 for each violation of the Producer Licensing Act. 36 O.S. § 1435.13(A).
4. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

FINDINGS OF FACT

1. Stephen Trevor Strout, Jr. ("Strout") is an Oklahoma producer holding license number 40024083. He was employed as an insurance producer with the Umbrella Insurance Agency, 606 W. 41st Street, Sand Springs, Oklahoma.
2. Donald Spencer complained to the Consumer Assistance Division at the Oklahoma Insurance Department ("Department") in October 2009 after learning that his automobile policy purchased through Strout was cancelled by the insurer, Casualty Corporation of America, Inc. ("CCA") for non-payment of premium.
3. Investigation by the Department revealed that Donald Spencer purchased an automobile insurance policy through Strout at the Umbrella Insurance Agency with insurance company Casualty Corporation of America, Inc. ("CCA"). The effective date of the policy was April 23, 2009. Thereafter Spencer delivered five monthly installment payments to Strout for the months of March, April, May, June and July in the form of money orders, each in the amount of \$50.00. The money orders were made to the order of the Umbrella Insurance Agency. Each time Strout received a money order from Spencer, he would endorse the back of the money order.
4. CCA terminated the appointment of Strout and Umbrella Insurance Agency on June 15, 2009. CCA mailed a notice to policyholders that Umbrella Insurance Agency was no longer in business.
5. Spencer was unable to locate Strout regarding his automobile policy so he contacted CCA. CCA advised Spencer that Spencer had not notified CCA of his change of address. Spencer informed CCA that he had made five monthly payments to his agent, Strout. CCA forwarded a copy of Spencer's Cancellation Notice and CCA's Notice that Umbrella Insurance Agency was no longer in business to Spencer's new address.
6. Strout confirmed to investigators that he had received money orders from Spencer and endorsed the back of each money order. Strout admitted that he failed to submit Spencer's premium payments to CCA and instead cashed the money orders at Strout's bank.

CONCLUSIONS OF LAW

Such conduct by Strout as alleged above is in violation of 36 O.S. § 1435.13(A)(4); improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business and § 1435.13(A)(8); using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Administrative Order of Suspension Instante**r entered in this matter on January 27, 2010 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondent's license is hereby **REVOKED**

WITNESS My Hand and Official Seal this 4th day of March, 2010.




KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Julie Delluomo, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail, postage prepaid with return receipt requested, on this 5th day of March 2010, to:

Stephen Trevor Strout, Jr.
308 W. 42nd Street
Sand Springs, OK 74063

CERTIFIED MAIL NUMBER: 7006 0810 0002 6163 9638

Notification was sent to:

NAIC/RIRS

A copy was mailed to:

All appointing insurers

A copy was delivered to:

Leah Scoles
Agents Licensing Division

Rick Wagnon/Amos Farr
Investigations/Anti-Fraud Division



JULIE DELLUOMO
ASSISTANT GENERAL COUNSEL