

1. The Insurance Commissioner has jurisdiction over this matter pursuant to Article VI, § 22 of the Oklahoma Constitution, Article 6 of the Oklahoma Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 through 632, the Unfair Claims Settlement Practices Act, 36 O.S. §§ 1250.1 through 1250.17, and the Managing General Agents Act, 36 O.S. §§ 1471 through 1478.

2. Southern County is a foreign insurer domiciled in the State of Texas, holding NAIC CoCode 27863.

3. TGA is licensed by the State of Oklahoma as a non-resident managing general agent, holding Oklahoma license number 10010146.

ALLEGATIONS OF FACT

4. In October 2009, Petitioner received a Request for Assistance (“RFA”) from an individual (“claimant”) involved in a motor vehicle collision in the State of Oklahoma with an insured of Southern County in August 2008. The RFA sought help with the settlement and payment of a property damage claim.

5. Petitioner sent the RFA to Southern County for response. Southern County timely responded to Petitioner’s inquiry on November 18, 2009.

6. In the response to Petitioner, Southern County stated that the company’s managing general agent, TGA, received the claim on August 19, 2008 and in September of 2008, sent a letter to the claimant advising that liability was disputed.

7. Southern County stated in the response to Petitioner that local investigation had been assigned to an adjuster but that the claim file “fell off the adjuster’s diary”.

8. In the response to Petitioner, Southern County stated that a formal denial

letter was not mailed to the claimant until February 24, 2009.

9. The acts of the managing general agent are considered to be the acts of the insurer on whose behalf the agent is acting. A managing general agent may be examined as if the agent were the insurer. 36 O.S. § 1476.

10. TGA had sixty (60) days to complete investigation of the claim after notification of proof of loss unless the investigation could not reasonably be completed within sixty (60) days. If TGA needed more time to determine whether the claim should have been accepted or denied, it could have notified the claimant of the need for additional time, up to one hundred twenty (120) extra days. 36 O.S. § 1250.7(C).

11. TGA failed to complete the investigation and issue an acceptance or denial of the claim within sixty (60) days.

12. TGA failed to notify the claimant that additional time was needed to determine if the claim should have been accepted or denied.

13. “For any violation of the Unfair Claims Settlement Practices Act, the Insurance Commissioner may . . . subject an insurer . . . to a civil penalty of not less than One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) for each occurrence.” 36 O.S. § 1250.14.

14. The Insurance Commissioner may assess a penalty of not less than One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) for each separate violation of the Managing General Agents Act. 36 O.S. § 1477(A).

VIOLATIONS OF LAW

15. By failing to timely accept or deny the claim within sixty (60) days or notify the claimant that additional time was needed to complete the investigation or

determine if the claim should be accepted or denied, TGA's conduct, as the managing general agent, violates 36 O.S. § 1250.7(C).

16. Therefore, TGA's conduct is subject to disciplinary action under 36 O.S. §§ 1250.14 and 1477(A).

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondents have violated the Oklahoma Unfair Claims Settlement Practices Act and that, based on the above Allegations of Fact and Violations of Law, Respondents be **FINED** in the amount of Two Hundred Dollars (\$200.00) per violation of the Unfair Claims Settlement Practices Act, for a total of Two Hundred Dollars (\$200.00).

IT IS FURTHER ORDERED that in the future, Respondents comply with the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., and specifically the Unfair Claims Settlement Practices Act, 36 O.S. §§ 1250.1 through 1250.17 and the Managing General Agents Act, 36 O.S. §§ 1471 through 1478. Further, Respondents shall enact proper safeguards to ensure that it complies with the provisions of the Oklahoma Insurance Code, the Unfair Claims Settlement Practices Act and the Managing General Agents Act.

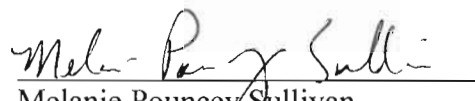
IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Respondents have the right to request a hearing. A request for hearing shall be made in writing, addressed to the Oklahoma Insurance Department, Legal Division, P.O. Box 53408, Oklahoma City, Oklahoma 73152-3408 and must be served on the Oklahoma Insurance Department within 30 days. Unless a hearing is requested within 30 days, this Order shall become a Final Order on the thirty-first day following the date of mailing of this Order.

If Respondents serve 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 Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing. If a hearing is requested, the Insurance Commissioner will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and who may preside over the hearing which may be requested by the Respondents. The proceedings on any requested hearing will be conducted in accordance with the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 et seq. Further, the Insurance Commissioner, 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.

WITNESS My Hand and Official Seal this ^{4th} 23 day of March 2010.



KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA


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CERTIFICATE OF MAILING

On this 3rd 4th day of March 2010, a true and correct copy of the above and foregoing Conditional Administrative Order, Statement of Charges, and Notice of Right to be Heard was mailed, via certified mail, to:

Southern County Mutual Insurance Company
P.O. Box 809076
5525 LBJ Freeway
Dallas, TX 75380-9076


CERTIFIED MAIL No: 7006 0810 0002 6163 9669

TGA Insurance Managers, Inc.
P.O. Box 40600
San Antonio, TX 78229-1699

CERTIFIED MAIL No: 7006 0810 0002 6163 9676

Notification sent to:

Kent Humphrey



Melanie Pouncey Sullivan