

**BEFORE THE INSURANCE COMMISSIONER
STATE OF OKLAHOMA**

FILED

**STATE OF OKLAHOMA, ex rel.
KIM HOLLAND, Insurance Commissioner,**

Petitioner,

vs.

**MICHAEL HORNER BLOOM, a licensed
producer and NATIONAL SPORTS
INSURANCE, INC., a licensed producer
agency,**

Respondents.

JUL 26 2010

INSURANCE COMMISSIONER
OKLAHOMA

Case No. 10-0761-DIS

FINAL ADMINISTRATIVE ORDER

This is an action revoking the insurance producers' licenses of Michael Horner Bloom and National Sports Insurance, Inc. for failing to properly account for and forward premium to the insurer. The Oklahoma Insurance Department has discovered that Las Monjitas Polo Club wrote check number 1271 in the amount of \$11,041.76 payable to National Sports Insurance, Inc. for payment of premium for a general liability insurance policy with Lexington Insurance Company. Bloom was owner of National Sports Insurance, Inc. agency and the lone signatory on the agency's bank account. Bloom failed to forward this premium he received from the insured to the insurer. Bloom's failure to forward, account for, or pay premium violates Oklahoma law and constitutes a threat to public health, safety, or welfare.

JURISDICTION AND PARTIES

1. The Insurance Commissioner has jurisdiction over this matter pursuant to Article VI, § 22 of the Oklahoma Constitution and the Oklahoma Insurance Code, 36 O.S. § 101

et seq., specifically, the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 et. seq.

2. Michael Horner Bloom is a licensed producer holding license number 128783. His address of record is 5416 S. Yale, Suite 105, Tulsa, Oklahoma 74135.

3. National Sports Insurance, Inc. was licensed as a producer agency holding license number 10197. The producer license number lapsed on October 31, 2007 for failure to renew. Its address of record is [REDACTED]

4. 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 fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

5. 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. Las Monjitas Polo Club, Inc. ("Las Monjitas"), located in Wellington, Florida contacted Michael Bloom ("Bloom") in early 2007 and obtained premium quotes for insurance for the operation of the polo club. Las Monjitas purchased a Lexington Insurance Company general liability policy #6992702 for the policy period 2/14/2007 through 2/14/2008 from Bloom.

2. Bloom instructed that the check for premium in the amount of \$11,041.76 be made payable to his insurance agency National Sports Insurance, Inc.

3. Las Monjitas business check number 1271 in the amount of \$11,041.76 was

endorsed and deposited in National Sports Insurance, Inc. banking account #0857128953 at Bank of Oklahoma on March 2, 2007. The signature card on the account showed Bloom as the sole owner of the bank account.

4. On October 29, 2007, National Sports Insurance, Inc.'s bank account #0857128953 incurred a negative balance and the account was closed on November 28, 2007. Bloom never forwarded the Las Monjitas premium to Lexington Insurance Company.

5. Bloom's failure to forward or pay the Lexington Insurance Company resulted in Lexington filing a civil suit against Las Monjitas in Florida for the premium for the policy, despite the fact that Las Monjitas had paid the premium to the agent Bloom.

6. Avery S. Chapman was retained to defend Las Monjitas in the Lexington lawsuit. He made numerous attempts to obtain proof from Bloom that Las Monjitas had paid the premium to Bloom, including requesting a copy of the wire transfer or check that Bloom sent to Lexington.

7. Bloom failed to provide any documentation to Chapman and ceased returning his phone calls. Chapman thereafter complained to the Oklahoma Insurance Department (the "Department") following Bloom's lack of cooperation.

8. Bloom was interviewed by Department investigators Eddie Kirkland and Amos Farr on March 19, 2010. They showed Bloom a copy of the Las Monjitas check payable to National Sports Insurance, Inc. Bloom agreed that he had received the check and deposited it in his bank account but had no documentation that he forwarded the premium to Lexington. The investigators requested Bloom return at a later date with documentation.

9. Bloom returned for a second interview with the Department investigators on March 22, 2010 for the purpose of providing proof that he forwarded the Las Monjitas premium. Bloom again failed to provide proof that he forwarded the premium to Lexington, stating to the investigators that, "I don't have squat for you". He further stated that he was inept at accounting and filing and that was the reason he was no longer in business for himself.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(2) by violating 36 O.S. § 1435.13a. in failing to forward or pay the premium he received from the insured to the insurer within forty-five (45) days of receipt.
2. Respondent violated 36 O.S. § 1435.13(A)(4) by improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.
3. Respondent violated 36 O.S. § 1435.13(A)(8) by 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 **Emergency Order of Suspension Instante**r entered in this matter on June 16, 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 26th day of July, 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 with postage prepaid and return receipt requested on this 26th day of July, 2010 to:

Michael Horner Bloom
5416 S. Yale, Suite 105
Tulsa, OK 74135

CERTIFIED MAIL NO. 7001 0320 0004 0178 5154

National Sports Insurance, Inc.
c/o Michael Horner Bloom


CERTIFIED MAIL NO. 7001 0320 0004 0178 5147

and a copy was mailed to all appointing insurers/RIRS

and a copy was delivered to:

Leah Scoles
Producer Licensing Division

Rick Wagnon/Eddie Kirkland
Anti-Fraud /Investigation Division



Julie Delluomo