

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

STATE OF OKLAHOMA, ex rel. KIM)
HOLLAND, Insurance Commissioner,)
)
 Petitioner)
v.)
)
ARMED FORCES INSURANCE EXCHANGE,)
)
 Respondent.)

Case No. 10-1113-DIS



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

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

JURISDICTION

1. Kim Holland is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Respondent is an insurer authorized to transact the business of insurance in the State of Oklahoma pursuant to Certificate of Authority Number 0978 and National Association of Insurance Commissioners Code 41459.

ALLEGATIONS OF FACT

1. The Oklahoma Insurance Department (“Department”) received a complaint on July 13, 2010 from Sergeant Major Belphry Dean. Dean had received hail damage to his home on May 16, 2010 and made a claim with his insurance company, Armed Forces Insurance Exchange. Dean complained that the settlement check he received from his insurer was not the

same amount as the estimate the insurer had previously given him. Dean made repeated requests to adjuster Anita Burleson to review his settlement payment, stating that his deductible had been applied twice.

2. Thereafter, Dean complained to the Department that Burleson made a mistake. The Consumer Assistance Division sent a letter of inquiry to the insurer. Ellen Wyrick, supervisor of property claims with Armed Forces Insurance Exchange, responded to the letter of inquiry. Ms. Wyrick explained that Anita Burleson had used the wrong settlement figures and applied the deductible twice. Thereafter, a supplemental check in the amount of \$1,960.00 was issued to Dean to reimburse him for the error in the settlement.

3. A routine review of the Department's records determined Burleson was not licensed as an adjuster in Oklahoma. A request was made to Wyrick to report the number of Oklahoma claims Burleson adjusted while unlicensed.

4. Wyrick responded that Burleson had adjusted seventeen Oklahoma claims in 2008; nineteen Oklahoma claims in 2009; and twenty-one Oklahoma claims in 2010; totaling fifty-six Oklahoma claims that were adjusted while unlicensed.

ALLEGED VIOLATIONS OF LAW

1. Such conduct by Respondent, as alleged above, is in violation of 36 O.S. § 6216(C); failing to ascertain whether its adjuster was licensed prior to referring any claim of loss to its adjuster. 36 O.S. § 619 provides for a civil penalty of not more than \$5,000.00 for each occurrence when an insurer violates any provision of the Oklahoma Insurance Code.

ORDER


IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. §§ 6216(C) and 619 and therefore **Respondent is FINED in the amount of FIVE THOUSAND SIX HUNDRED DOLLARS (\$5,600.00) payable within thirty (30) days of the date of mailing.**

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 Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing of this Order. Such request for hearing, if desired, shall be made in writing addressed to Julie Meaders, Oklahoma Insurance Department, Legal Division, Post Office Box 53408, Oklahoma City, Oklahoma 73152-3408 and must be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on any 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 et seq.

WITNESS My Hand and Official Seal this 14th day of October, 2010.



KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA


Julie Meaders
Assistant General Counsel

CERTIFICATE OF MAILING

I, Julie Meaders, 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 via certified mail with postage prepaid and return receipt requested on 14th day of October, 2010, to:

Armed Forces Insurance
P. O. Box G
Ft. Leavenworth, KS 66027

CERTIFIED MAIL NO. 7001 0320 0004 0178 4515

and that a copy was delivered to:

Mathangi Shankar
Financial Division

Russell Valleroy
Consumer Assistance/Claims Division



Julie Meaders