

BEFORE THE INSURANCE COMMISSIONER
STATE OF OKLAHOMA

FILED

OCT 20 2010

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel.)
KIM HOLLAND, Insurance Commissioner,)
)
Petitioner,)
)
vs.)
)
RICKY A. BROWN,)
)
)
Respondent.)

Case No. 10-1124-DIS

FINAL ADMINISTRATIVE ORDER

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 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. Ricky A. Brown is a licensed producer holding license number 80409. His address of record is [REDACTED]

3. 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).

FINDINGS OF FACT

1. On January 31, 2007, Forethought Life Insurance Company received a death claim form on Jarrett Richie, sent by facsimile, from Ricky Brown of Brown/Christian Funeral Home in Chickasha Oklahoma. Brown reported Richie had died on January 29, 2007. Forethought required a claim form signed by the funeral director and the person legally responsible for the funeral, or the insured's beneficiary. The signature of the beneficiary was "Velma Richie". Forethought did not require a death certificate for payment.

2. Forethought electronically deposited \$5,420.98 into Christian Funeral Home's bank account for the claim for Richie's death. Subsequent to payment being made, Forethought received a premium payment from Richie's wife, Murlene Richie. Forethought returned the check, with a letter of condolence for Richie's death. Thereafter, Murlene Richie called Forethought and informed the company that her husband, Jarrett, was alive.

3. Forethought then contacted Brown for an explanation. Brown assured Forethought that the claim was a mistake by his office personnel. Brown returned the payment to Forethought and Forethought reinstated Richie's policy. Investigation by Forethought into other death claims submitted by Brown revealed five other reported deaths that Forethought was unable to confirm.

4. Forethought contacted Brown and requested death certificates on the five individuals. Brown failed to submit the death certificates or return numerous calls from Foremost. Forethought thereafter submitted a complaint to the Oklahoma Insurance

Department.

5. Murlene Richie was interviewed by Anti-Fraud Investigator Robert Lee and stated she had never signed a death claim form to collect on her husband's policy. She further stated that she never used the name "Velma Richie" and did not know anyone named "Velma Richie".

6. Brown submitted a claim for benefits on Gertie M. Austin reporting her date of death as June 8, 1998. Forethought mailed a check to Brown in the amount of \$75.00. Gertie M. Austin, n/k/a Gertie M. Hester was still alive and was interviewed by investigators Robert Lee and Adam Flowers on July 21, 2010. Hester reviewed a copy of the Forethought joint life insurance application with her husband, Arthur Austin, dated July 9, 1993. Hester's husband, Arthur, had died in 2004. Hester stated she had not received any benefits from Forethought for Arthur's funeral. Thereafter, during an interview with investigators, Brown identified his endorsement on the \$75.00 check.

7. Brown submitted a claim for benefits on Doretha Miller on February 21, 2006. Forethought deposited \$3,418.50 electronically into Christian Funeral Home's bank account for the claim. Brown admitted to investigators that he made a death claim for Miller in 2006 when he knew she was still alive. Brown further stated he had just spoken with Miller a week before he was interviewed by the investigators.

8. Brown submitted a claim for benefits on Castella Guesby on February 19, 2003. A signature for Warren E. Guesby was listed on the claim form as the person legally responsible for the funeral. Forethought deposited \$3222.00 electronically into Christian Funeral Home's bank account for payment of the claim for Castella Guesby's death. Investigation revealed that Warren E. Guesby had predeceased Castella Guesby

and could not have signed the death claim. When Guesby actually died, two and one-half years after Brown collected the claim, he conducted her funeral without collecting any additional money.

9. Brown submitted a claim against the life insurance policy of Ruby Mae Johnson stating the date of death was September 17, 2004. Forethought deposited \$5,339.20 electronically into Christian Funeral Home's bank account for payment of the claim. Johnson's daughter, Dorothy Bowens confirmed to investigators that Ruby Mae Johnson was currently deceased but had not died until August 4, 2009. Bowens never authorized any payment for Johnson's death in 2004 because Johnson was alive until 2009.

10. Bowen stated that the signature for the person legally responsible for Johnson's funeral on the claim form was not hers and that the social security number listed for her mother was not her mother's social security number. Investigation revealed that the social security number on the death claim was Brown's.

11. Bowen stated that she contacted Brown after her mother's death because Temple & Sons Funeral Home in Oklahoma City conducted the funeral. Bowen wanted the Forethought benefit paid for the funeral being conducted by another funeral home. Brown first gave Bowen a check in the amount of \$5,100 and asked her to hold it. Thereafter, he brought her a money order for \$5,100.00, paying back all but \$239.20 he had previously received.

12. Brown collected this \$239.20 and the Miller claim of \$3418.50 for a total of \$3732.70 in fraudulent claims, of which he has provided no funeral services or paid restitution.

CONCLUSIONS OF LAW

1. 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.
2. Respondent violated 36 O.S. § 1435.13(A)(10) by forging another's name to an application for insurance or to any document related to an insurance transaction.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Administrative Order of Suspension Instanter** entered in this matter on September 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 20th day of October, 2010.




KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Julie Meaders, 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 20th day of October, 2010 to:

Ricky A. Brown


CERTIFIED MAIL NO. 7001 0320 0004 0178 4447

All Appointing Insurers/RIRS

And a copy was delivered to:

Leah Scoles
Producer Licensing Division

And
Rick Wagnon/Robert Lee
Investigations/Anti-Fraud Division



Julie Meaders