

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

**FILED**  
MAR 02 2017  
INSURANCE COMMISSIONER  
OKLAHOMA

**STATE OF OKLAHOMA, ex rel. JOHN  
D. DOAK, Insurance Commissioner,**

**Petitioner,**

**v.**

**Case No. 16-1076-DIS**

**MELVIN DON HENSON, a licensed  
Oklahoma Insurance Producer,**

**And**

**ANNETTE DENISE HENSON, a licensed  
Oklahoma Insurance Producer,**

**Respondents.**

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

**COMES NOW** the State of Oklahoma, ex rel. John Doak, Insurance Commissioner, by and through his attorney, Sara A. Worten, and alleges and states as follows:

**JURISDICTION AND AUTHORITY**

1. John D. Doak 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. §§ 101-7301*.

2. Respondent Melvin Don Henson, Jr. is an Oklahoma licensed resident insurance producer holding license number 81039. Mr. Henson's mailing address of record with the Oklahoma Insurance Department is [REDACTED]

3. Respondent Annette Denise Henson is an Oklahoma licensed resident insurance producer holding license number 86333. Ms. Henson's mailing address of record with the

Oklahoma Insurance Department is [REDACTED]

(Respondent Melvin Don Henson and Respondent Annette Denise Henson are collectively referred to as the "Henson's")

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).

#### **ALLEGATIONS OF FACT**

1. Mrs. Henson and Mr. Henson are the owners of Henson Ins Group, LLC ("Henson Insurance").

2. On April 6, 2014, the Department received a complaint from Bonnie Stockwell and Jake Knight. The complaint was forwarded to the Department's Anti-Fraud Unit for further investigation to be conducted by Investigator Mark Drummond.

3. Investigator Drummond reported that Ms. Stockwell and Mr. Knight engaged the Henson's of Henson Insurance to obtain automobile and homeowner's insurance.

4. On June 11, 2103, Mr. Knight went to Henson Insurance and paid the Henson's the premium for six (6) months of auto coverage on two (2) vehicles and a recreation vehicle, as well as premium for one (1) year of homeowner's insurance. The insurer for all policies was Safeco Insurance.

5. Safeco Insurance sent a cancellation to Ms. Stockwell and Mr. Knight on July 14, 2013, due to insufficient funds in the Henson's account. The cancellation notice stated that unless payment was made by August 7, 2013, Ms. Stockwell's and Mr. Knight's policies would be cancelled.

6. Ms. Stockwell and Mr. Knight addressed the cancellation notice with the Henson's and were told by the Henson's the premiums would be paid by the August 7<sup>th</sup> deadline. Soon thereafter Ms. Stockwell and Mr. Knight left for an extended vacation.

7. When Ms. Stockwell and Mr. Knight returned from their extended vacation they discovered the Henson's did not pay the premiums on their behalf to Safeco Insurance and the insurance policies were cancelled.

8. From Department's investigation involving Ms. Stockwell and Mr. Knight Investigator Drummond received information from Safeco Insurance involving another client of the Henson's, Carolyn and George Harrison. On August 14, 2014, Investigator Drummond interviewed Carolyn Harrison. Carolyn and George Harrison purchased auto insurance from Safeco Insurance through Henson Insurance. In May 2015, Ms. Harrison paid their monthly premium to the Henson's. Later that month she received a cancellation notice from Safeco Insurance due to non-payment of premium.

9. Ms. Harrison contacted Mr. Henson and he said it was his mistake and would correct the problem.

10. Robert Hannigan, a Senior Investigator with Safeco Insurance, reported that Carolyn and George Harrison's policy was cancelled due to insufficient funds in the Henson's sweep account. Mr. Hannigan reported the policy was reinstated after sufficient funds were placed in the Henson's account.

11. On July 1, 2014, Investigator Drummond was contacted by Wewoka Tag Agency. The owner of Wewoka Tag Agency is Diane Rowlett. Mr. Rowlett reported that Amie Tiger came in on July 1, 2014 to obtain a tag for her vehicle. Ms. Rowlett advised that after checking the tax commission database she discovered Ms. Tiger did not have an auto insurance policy.

12. Ms. Rowlett reported that Ms. Tiger contacted Henson Insurance and then a letter was sent to Wewoka Tag Agency on July 1, 2014 stating that Ms. Tiger did currently have auto insurance in effect from Traders Insurance.

13. Ms. Rowlett reported that she contacted Traders Insurance directly and was advised that Ms. Tiger did not currently have auto insurance coverage.

14. On July 2, 2014, Mark Drummond interviewed Amie Tiger. Ms. Tiger reported that in June 2014 she paid her monthly premium payment to Mr. Henson and then on July 1, 2014, she went to Wewoka Tag Agency to obtain a tag for her vehicle. While attempting to obtain the vehicle tag, Ms. Tiger was told by the owner of the tag agency she did not have auto insurance for her vehicle and therefore could not obtain a tag.

15. Traders Insurance reported that on July 1, 2014 Ms. Tiger did not have auto coverage due to non-payment of premium. Her coverage was not restored until July 3, 2014 upon receipt of premium payment from the Henson's.

16. In the course of Investigator Drummond's investigation of the Henson's he discovered Delores Anne Martin's homeowner's policy was cancelled due to non-payment of premium by the Henson's.

17. On October 24, 2014, Investigator Drummond interviewed Delores Anne Martin. Ms. Martin purchased homeowner's insurance from MDOW Insurance Company through the Henson's. Ms. Martin paid her quarterly premiums directly to the Henson's.

18. MDOW Insurance Company reported that Ms. Martin's coverage was terminated due to insufficient funds in the Henson's sweep account.

#### **ALLEGED CONCLUSIONS OF LAW**

1. Respondents have 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.

2. Respondents have 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 or elsewhere.

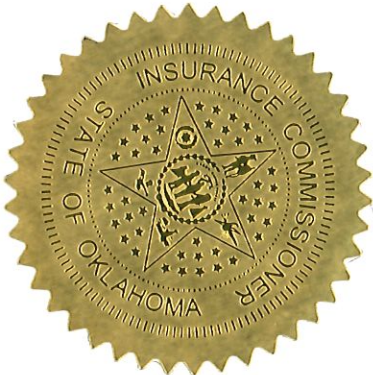
### **ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner, subject to the following paragraph, that Melvin Don Henson, Jr. and Denise Annette Henson are each hereby **CENSURED** and **FINED ONE-THOUSAND DOLLARS (\$1,000.00)** for a violation of 36 O.S. § 1435.13(A)(41) and 36 O.S § 1435.13(A)(8). The **fines are to be paid within thirty (30) days** of this Conditional Administrative Order and made payable to the Oklahoma Insurance Department. The civil fine shall be paid by money order or cashier's check. Failure to pay the civil fine or request a hearing within thirty (30) days will result in Respondents' insurance producer licenses being suspended.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that this Order is a Conditional Order. Unless Respondents requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days 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 mailing of this Order. A request for hearing shall be in writing addressed to Sara A. Worton, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> St., Suite 100, Oklahoma City, Oklahoma 73112. Additionally, the request for hearing shall state the grounds for the request to set aside or modify the Order. The request shall be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on 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 through 323. 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.

**WITNESS** My Hand and Official Seal this 2nd day of March, 2017.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Sara A. Worton OBA# 21532  
Oklahoma Insurance Department  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma 73112  
(405) 521-2746

**CERTIFICATE OF MAILING**

I, Sara A. Worten, 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 by certified mail, with postage prepaid and return receipt requested, on this 2nd day of March, 2017, to:

Melvin Don Henson, Jr.  
Annette Denise Henson



**CERTIFIED MAIL NO. 7016 0910 0000 8401 5585**

and a copy was delivered to:

Courtney Khodabakhsh  
Licensing Division

Mark Drummond  
Anti-Fraud Unit

A handwritten signature in blue ink, appearing to read 'Sara A. Worten', written over a horizontal line.

Sara A. Worten  
Assistant General Counsel