

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

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

**Petitioner,**

**vs.**

**TONI KAY PIERCE, a licensed insurance  
producer in the State of Oklahoma,**

**Respondent.**

**CASE NO. 17-0419-DIS**

**FILED**

**DEC 07 2017**

**INSURANCE COMMISSIONER  
OKLAHOMA**

**FINAL ORDER**

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act. 36 O.S. §§ 1435.1 et seq. The Oklahoma Insurance Department filed an Amended Notice of Hearing on November 3, 2017 alleging Respondent improperly withheld premium monies, demonstrated incompetence and financial irresponsibility and failed to previously respond to the Oklahoma Insurance Department.

A hearing was held before the undersigned Hearing Examiner on November 15, 2017. Petitioner appeared by counsel Julie Meaders. Respondent appeared pro se. Witnesses were sworn and testified, exhibits were presented and arguments of counsel heard.

**FINDINGS OF FACT**

**I. Harold Carter**

1. Mr. Carter had a farm and homeowner's insurance policy through American Farmers and Ranchers Insurance Company ("AFR"), policy number FOC0892604, with a renewal date of July 31, 2015. Mr. Carter made a premium payment to Respondent agent on July 28, 2015 at her office located in Boswell, OK in the amount of \$1,387.00 by way of a personal check addressed to AFR, check number 1034. Mr. Carter believed he had renewed his insurance coverage upon payment of his premium.

2. Mr. Carter's check number 1034 was endorsed by a handwritten "AFR" along with bank account number 0143433, which matches the premium trust account listed on a debit authorization agreement executed between Respondent agent and AFR. Mr. Carter's check number 1034 was deposited into Respondent agent's sweep account at First Texoma National Bank of Boswell, OK on July 31, 2015. However, the funds in the amount of \$1,387.00 were never forwarded to AFR and no renewal policy was issued. Mr. Carter was unaware he was without insurance coverage.

3. On November 10, 2016, Mr. Carter contacted AFR directly and requested a copy of his renewal policy, wherein he was informed that his policy, FOC0892604, had lapsed effective July 31, 2015.

4. On November 11, 2016, Mr. Carter made a new premium payment to AFR through a new insurance agent and obtained coverage under a new policy effective on November 11, 2016. On January 27, 2017, Mr. Carter visited Respondent at her agency and requested a refund of his \$1,387.00 premium payment from July 28, 2015. Respondent agent wrote Mr. Carter a personal check for \$1,387.00, the amount he paid to her as premium in July 2015.

5. Mr. Carter, after paying his premium on July 28, 2015 to Respondent agent, believing he had coverage, was without insurance from July 31, 2015 through November 16, 2016 – approximately sixteen (16) months.

6. OID's Consumer Assistance Division sent a letter of inquiry to Respondent agent on November 16, 2016 regarding Mr. Carter's complaint. Respondent agent failed to respond to the Consumer Assistance inquiry, as required by 36 O.S. § 1204.

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## **II. Larry South**

7. Larry South of Durant, OK made a premium payment on June 29, 2016 to Respondent agent in the amount of \$817.00 to obtain homeowner's insurance. Mr. South made his premium payment by personal check, number 1290, payable to AFR, which bore a handwritten endorsement, "AFR" and account number 2090508. This account number matches the number listed on a debit authorization agreement between Respondent and AFR. This check was deposited the same day, June 29, 2016 to FirstUnited Bank of Bokchito, OK into Respondent's sweep account. These funds were never forwarded to AFR and no policy was issued by AFR. Mr. South believed he had insurance coverage effective June 29, 2016.

8. On August 22, 2016, Mr. South contacted AFR requesting a copy of his insurance policy. He told the AFR representative that he had requested his policy from Respondent agent previously and never received it. The AFR representative Mr. South spoke with was unable to locate a quote or policy for Mr. South in its system.

9. That same day, an AFR employee contacted Respondent agent inquiring about Mr. South's policy. Respondent agent stated that she was working on a quote for him and had not yet completed it due to various reasons.

10. The same day, Respondent agent entered a quote for Mr. South in AFR's database for the first time. The accompanying policy application she provided was incomplete and the calculated premium totaled an amount greater than Mr. South had previously paid to her. The additional premium was paid and the policy was issued effective August 23, 2016.

11. As a result of the Respondent's representations to Mr. South, he believed he was insured effective June 29, 2016, however, he remained without coverage until August 23, 2016, when he paid additional premium and Respondent submitted his quote and application to AFR at AFR's request.

12. Respondent was an appointed agent with AFR at the time of the events in question. AFR terminated Respondent's appointment on October 12, 2016.

### **CONCLUSIONS OF LAW**

1. Respondent has violated the provisions of 36 O.S. § 1435.13(A)(4), improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.

2. Respondent has violated the provisions of 36 O.S. § 1435.13(A)(8), using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

3. Respondent has violated the provisions of 36 O.S. § 1250.4(B), every agent, adjuster, administrator, insurance company representative, or insurer upon receipt of any inquiry from the Commissioner shall, within thirty (30) days from the date of the inquiry, furnish the Commissioner with an adequate response to the inquiry, a violation of 36 O.S. § 1435.13(A)(2).

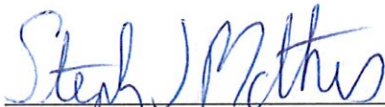


**ORDER**

**IT IS THEREFORE ORDERED THAT RESPONDENT TONI KAY PIERCE BE FINED \$500.00 PER OCCURRENCE FOR A TOTAL FINE OF \$1,000.00, PAY THE COSTS OF THE ADMINISTRATIVE HEARING IN THE AMOUNT OF \$250 AND HER INSURANCE LICENSE IS HEREBY REVOKED. PURSUANT TO 36 O. S. § 319, RESPONDENT IS ORDERED TO PAY THE FINE AND COSTS OF THE HEARING EXAMINER IN THE AMOUNT OF \$1,250.00 WITHIN THIRTY (30) DAYS OF THE DATE OF THIS ORDER.**


**Dated this 22<sup>nd</sup> day of November 2017.**



  
Stephan S. Mathis  
Hearing Examiner  
Oklahoma Insurance Department

**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above Final Order was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this 7<sup>th</sup> day of December, 2017, to the following:

Toni Kay Pierce  


**CERTIFIED MAILNO: 9214 8902 0982 7500 0033 20**

and a copy was delivered to:

Richard Koch  
Anti-Fraud Unit

  
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Julie Meaders