

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

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

**Petitioner,**

**v.**

**LINDA FOREMAN, a licensed Oklahoma  
Insurance Producer,**

**Respondent.**

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**Case No. 17-532-DIS**

**FILED**  
**SEP 07 2017**  
**INSURANCE COMMISSIONER**  
**OKLAHOMA**

**FINAL ADMINISTRATIVE ORDER**

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act. 36 O.S. §§ 1435.1 et seq. and came on for a Show Cause Hearing on August 31, 2017. Petitioner, State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, appeared and was represented by counsel, Sara A. Worten, Assistant General Counsel. Respondent, Linda Foreman appeared not.

Upon consideration of the evidence the Hearing Examiner makes the following findings of fact and conclusions of law.

**FINDINGS OF FACT**

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Respondent Linda Foreman ("Respondent") was previously licensed by the State of Oklahoma as a resident insurance producer holding license number 105532. Her license expired December 31, 2016. Respondent's address of record is [REDACTED]

[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).

4. The Insurance Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Oklahoma Producer Licensing Act and Title 36 of the Oklahoma Statutes against any person who is under investigation for or charged with a violation of the Oklahoma Producer Licensing Act or Title 36 of the Oklahoma Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law. 36 O.S. 1435.13(F).

5. Petitioner afforded Respondent an opportunity for hearing by personally delivering the *Notice of Hearing and Order to Show Cause* to Respondent on August 25, 2017. Petitioner sent the *Notice of Hearing and Order to Show Cause* by way of certified mail on August 9, 2017 and was available for pick up at the Respondent's address of record on August 16, 2017. The certified mail was not picked up and therefore returned to the Oklahoma Insurance Department. The *Notice of Hearing and Order to Show Cause* stated the matters asserted, and stated the time, place and nature of the hearing, cited legal authority and jurisdiction, and referred to particular sections of the statutes involved.

6. The Insurance Commissioner, pursuant to 36 O.S. § 319, may appoint an independent hearing examiner who shall sit as a quasi-judicial officer.

7. The Insurance Commissioner appointed John D. Miller to hear the case as the independent Hearing Examiner.

8. The hearing was recorded electronically by an employee of the Oklahoma Insurance Department. Neither party requested a full stenographic record of the proceedings.

9. The following exhibits were introduced and admitted:

- i. Exhibit 1a – Certificate of Insurance for Lloyds of London policy year 2015-2016
- ii. Exhibit 1b – Declaration Page for Great Lakes policy year 2015-2016
- iii. Exhibit 1c – Certificate of Insurance for Lloyds of London policy year 2016-2017
- iv. Exhibit 1d – Declaration Page for Great Lakes policy year 2016-2017
- v. Exhibit 2 – Checks written on Church of Christ's Account
- vi. Exhibit 3 – Collection Letter
- vii. Exhibit 4 – 2015 Premium Finance Agreement
- viii. Exhibit 5 – 2016 Premium Finance Agreement
- ix. Exhibit 6 – Commercial Insurance Application
- x. Exhibit 7 – Notice of Cancellations of policies
- xi. Exhibit 8 - Change of Address Email

10. The following witness was sworn and testified under oath:

- a. Mark Drummond, Oklahoma Insurance Department Anti-Fraud Unit Investigator.

11. Mark Drummond testified to the following relevant information:

12. Arnett Church of Christ ("Church") through its pastor, Brian Flanagan, obtained two insurance policies through Respondent beginning in July 2015.

13. Certain Underwriters of Lloyds of London provided the Commercial General Liability Coverage for the Church. *See Exhibits 1a and 1c.*

14. Great Lakes Reinsurance (UK) SE provided the Church its Commercial Property and Casualty coverage. *See Exhibits 1b and 1d.*

15. In July 2015, the yearly premium for both policies combined was Four Thousand Five Hundred Twenty-Five Dollars and 14/100 (\$4,525.14). Mr. Flanagan wrote a check on the Church's account for that amount on July 10, 2015 and mailed it to Respondent. *See Exhibit 2.*

16. Respondent contacted Mr. Flanagan and stated she did not receive the premium check. That same day, Mr. Flanagan delivered to Respondent a second check for the premium



amount of Four Thousand Five Hundred Twenty-Five Dollars and 14/100 (\$4,525.14). Mr. Flanagan reported both he and Respondent understood that Respondent would return the initial check written on July 10, 2015 to Mr. Flanagan. Instead Respondent deposited both checks into her back account at Shattuck National Bank. *See Exhibit 2.*

17. Mr. Flanagan made repeated efforts in 2015 and 2016 to obtain a refund of the initial check from Respondent but was unsuccessful.

18. In 2016 when the yearly premium became due Respondent told Mr. Flanagan that she would apply the additional Four Thousand Five Hundred Twenty-Five Dollars and 14/100 (\$4,525.14) from the initial mailed check in 2015 to the 2016-2017 policy year. Flanagan agreed to this proposal and had the understanding the premiums for both policies were paid in July 2016.

19. In May 2017, Mr. Flanagan received a notice from a collection agency for the unpaid premium balance on a premium finance loan for both of the Church's 2016-2017 policies. It was at this time he discovered that both policies were cancelled in October 2016. *See Exhibit 3.*

20. In 2015, Respondent entered into a premium finance agreement without the Church's consent. The agreement was with IPFS Corporation to finance the Church's premiums for both policies for the 2015-2016 policy year. The Church paid the premium in full and was unaware of Respondent entering into this premium finance agreement. *See Exhibit 4.*

21. The 2015 premium finance agreement required the signature of the Insured or the Authorized Agent. The authorized agent of the Church did not sign agreement. Respondent admitted to Investigator Drummond to forging the signature of the authorized representative.

22. In 2016 Respondent entered into a second premium finance agreement for the 2016-2017 policy year. Instead of applying the additional Four Thousand Five Hundred Twenty-Five Dollars and 14/100 (\$4,525.14) paid by the Church to Respondent in 2015, Respondent entered into a premium finance agreement with IPFS Corporation to make nine (9) payments in the amount of Four Hundred Fifty-one Dollars and 98/100 (\$451.98.) See Exhibit 5.

23. Respondent entered into the premium finance agreement without the Church's consent. The premium finance agreement requires the Insured or the Authorized Agent to sign and date the agreement. After reviewing the premium finance agreement, Mr. Flanagan confirmed the signature purported to be his was in fact not his signature.

24. Respondent admitted she forged his signature on the premium finance agreement. In addition to the forged signature on the premium finance agreement, Respondent admitted to forging Mr. Flanagan's signature on the 2015 commercial policy application. See Exhibit 6.

25. Investigator Drummond reported that Respondent disclosed she had taken the Church's premium payments and applied them to payments for other customers. She then financed the premiums.

26. Investigator Drummond reported that Respondent failed to make the monthly installments per the terms of the 2016 premium finance agreement and the Church's commercial general liability policy through Lloyds of London and the property and casualty policy through Great Lakes Reinsurance (UK) SE were cancelled in October 2016. See Exhibit 7.

27. Jaeger & Haines ("MGA") is the managing general agent for both Certain Underwriters of Lloyds of London and Great Lakes Reinsurance (UK) SE. Respondent notified the MGA of an address change for the Insured/Church. Respondent changed the address from the Church's address to her mailing address resulting in the Church failing to receive any

notification of cancellation of the policies. Respondent changed the notification address of the Church without the consent or knowledge of a Church representative. See Exhibit 8.

### **CONCLUSIONS OF LAW**

1. The Insurance Commissioner has jurisdiction over this matter and Respondent.
2. That Respondent was provided adequate notice and a hearing as required by law pertaining to the allegations made by the Department in its Notice of Hearing and Order to Show Cause, filed on August 9, 2017.
3. That based on the above provided findings of fact, there is clear and convincing evidence to find that Respondent has committed the following violations:
  - a. Respondent violated *36 O.S. §1435.13(A)(8)* in that she used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state, by the following:
    - i. entering into two premium finance agreement without the consent of Arnett Church of Christ and forging signatures on those documents;
    - ii. failing to return the additional premium paid in 2015 by Arnett Church of Christ;
    - iii. using the premium paid by Arnett Church of Christ for something other than payment of the Church's premium for the 2015-2016 and 2016-2017 policy years;
    - iv. changing the mailing address with the MGA from Arnett Church of Christ to Respondent's home address;
    - v. failing to make payments on the unauthorized premium finance agreement in 2016 resulting in the Church's insurance coverage being cancelled.

b. Respondent violated 36 O.S. § 1435.13(A)(4) by improperly withholding monies received in the course of doing insurance business. Respondent received two premium payments (one which was a replacement payment) in 2015. She deposited both payments and failed to return the overage paid in 2015. Respondent did not apply the premium payments for the Church's insurance but instead use those monies for other expenses or clients.

**ORDER**

**IT IS THEREFORE ORDERED** that Linda Foreman's Resident Insurance Producer license is hereby **revoked**. Respondent is ordered to pay the **costs of the proceeding in the amount of One Hundred Twenty-five Dollars (\$125.00)**. The Insurance Commissioner shall notify all appointing insurers of the revocation and shall notify the Central Office of the National Association of Insurance Commissioners of Respondent's revocation.

Done this 5<sup>th</sup> day of September, 2017.



  
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JOHN D. MILLER  
INDEPENDENT HEARING EXAMINER  
OKLAHOMA INSURANCE DEPARTMENT



**CERTIFICATE OF MAILING**

I, Sara A. Worten, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail and electronically mailed on this 7<sup>th</sup> day of September 2017 to:

Linda Foreman  


**BARCODE NO:**  
**9214 8902 0982 7500 0015 48**

Linda Foreman  


**BARCODE NO:**  
**9214 8902 0982 7500 0015 55**

and that notification was sent to:

NAIC/RIRS

and a copy was delivered to:

Licensing Division  
Anti-Fraud Division

  
Sara A. Worten  
ASSISTANT GENERAL COUNSEL