

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

FILED
JUN 26 2018
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,	)	
	)	
	)	
Petitioner,	)	
	)	Case No. 18-0369-DIS
vs.	)	
	)	
VERNA JEAN WARREN, a licensed	)	
insurance producer in the State of Oklahoma,	)	
	)	
Respondent.	)	

CONSENT ORDER

The State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, and Respondent Verna Jean Warren stipulate to the following facts and applicable laws. The parties consent to the entry of this *Consent Order*.

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 et seq., including the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1 through 1435.41.

2. Verna Jean Warren ("Respondent") is an Oklahoma licensed resident insurance producer holding license number 100261. Respondent's current mailing address of record is P.O. Box 176, Hinton, Oklahoma 73047-0176.

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. Informal disposition of this matter may be made by consent order. 75 O.S. § 309(E).

STIPULATION OF FACTS

1. On April 2, 2018, Oklahoma Insurance Department ("OID") Anti-Fraud Unit Investigator Mark Drummond ("Drummond") received a phone call from American Farmers & Ranchers Mutual Insurance Company ("AFR") employee Jane Baker ("Baker"). Baker stated that AFR had received a policyholder complaint involving Respondent. More specifically, Baker communicated the following:

- a) An AFR policyholder ("RG") had received a notice of cancellation for non-payment of an insurance premium due in December 2017, even though the policyholder had previously paid, in full, the total annual premium amount due to Respondent by check.
- b) Respondent had deposited RG's check into her business trust account and, without RG's knowledge or consent, had setup RG's policy for monthly premium payments. Further, Respondent had changed RG's address to her own mailing address of record without informing RG.
- c) RG had provided AFR with a copy of the processed premium payment check at issue showing that it had been deposited into Respondent's business trust account on January 13, 2017, the same date that the check had been written.

2. On April 3, 2018, based on Baker's phone call, the OID Anti-Fraud Unit opened an investigation into Respondent and Drummond was assigned the case.

3. On April 18, 2018, Baker informed Drummond that AFR had received an additional complaint against Respondent from a different AFR policyholder ("MW"). In this

particular complaint, MW had paid, in full, her annual insurance premium by check to Respondent and Respondent had deposited that check into her business trust account on April 3, 2018. Thereafter, Respondent had failed to forward the full premium payment to AFR, which led to MW receiving notification from AFR on April 12, 2018 that her policy had been cancelled for non-payment of insurance premium.

4. On April 19, 2018, Baker communicated to Drummond that, as part of a review of Respondent's AFR agency file, triggered by the aforementioned complaints, she found that Respondent's agency had a history of financial issues, including several returned checks for insufficient funds from Respondent's business trust account.

5. By letter dated May 3, 2018, Baker, on behalf of AFR, notified the OID's Licensing Division that AFR was terminating for cause Respondent's appointment effective June 1, 2018. In the letter AFR stated that, in essence, Respondent's failure to timely remit premiums received was its rationale for the termination.

6. On May 14, 2018, Drummond interviewed Respondent at her agency office. During the interview:

- a) Drummond inquired with Respondent about RG's policy being set to monthly payments and the change of RG's address to Respondent's own mailing address of record without RG's knowledge or consent. Respondent admitted to Drummond that she had "screwed up on that account." Respondent further admitted that she had written checks out of her business trust account, which included client premium payments, to pay her own bills thereby improperly misappropriating said monies received in the course of doing insurance business in the State of Oklahoma.

b) Drummond also asked Respondent about MW's policy premium payment.

Respondent admitted that she had, in fact, deposited MW's premium payment check into her business trust account on April 3, 2018. Respondent stated that she was unable to upload the payment to AFR at that time because of internet issues. Respondent admitted that she did not attempt to contact AFR concerning the issues with the remittance of MW's premium payment.

7. Respondent admits to having committed the following acts in violation of the Oklahoma Producer Licensing Act: 1) without RG's knowledge or consent, setting up RG's premium payment to be paid monthly out of Respondent's business trust account and changing RG's address to Respondent's own mailing address of record; 2) failing to timely remit MW's premium payment to AFR, which resulted in MW's policy being cancelled; and 3) writing checks out of her business trust account, which includes deposited premium monies of policyholders, to pay her own bills thereby improperly misappropriating said monies received in the course of doing insurance business in the State of Oklahoma.

8. The scope of this *Consent Order* is expressly limited to Respondent's acts with regard to the two (2) AFR policyholders, RG and MW, previously referenced above.

CONCLUSIONS OF LAW

1. Respondent has 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. Respondent has 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.

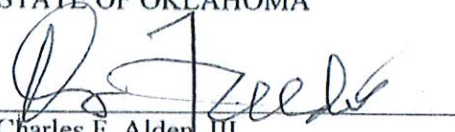
ORDER

IT IS THEREFORE ORDERED, ADJUDGED, DECREED by the Insurance Commissioner and agreed to by Respondent that Respondent's Oklahoma insurance producer license is hereby **REVOKED** and Respondent is **FINED TWO THOUSAND DOLLARS (\$2,000.00)**. The fine shall be paid by money order or cashier's check and made payable to the Oklahoma Insurance Department. The fine amount shall be due to the Oklahoma Insurance Department upon issuance of this *Consent Order*.

WITNESS My Hand and Official Seal this 24 day of June, 2018.

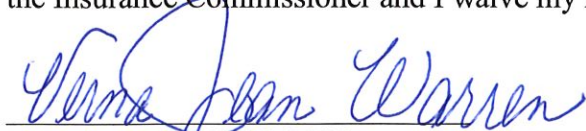


JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA


Charles F. Alden, III
Independent Hearing Examiner
Oklahoma Insurance Department

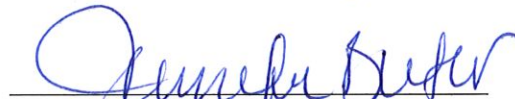
VERIFICATION AND CONSENT

I, Verna Jean Warren, state that I have read this *Consent Order*. The contents and facts set forth in the order are true to the best of my knowledge. I consent to the entry of the Order by the Insurance Commissioner and I waive my right to appeal this Order.


VERNA JEAN WARREN

STATE OF OKLAHOMA
COUNTY OF Canadian

This instrument was acknowledged before me on June 20, 2018 by
VERNA JEAN WARREN.

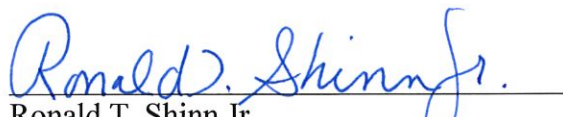

Signature of Notarial Officer

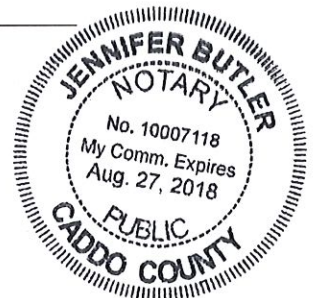
Seal

Notary Public
Title
10007118
My commission expires:
8-27-2018

APPROVED:


Barron B. Brown
Assistant General Counsel


Ronald T. Shinn Jr.
Counsel for Respondent



CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing *Consent Order* was mailed by certified mail, with postage prepaid and return receipt requested, and by electronic mail on this 26th day of June, 2018, to the following:

Ronald T. Shinn Jr.
Counsel for Respondent
McAfee & Taft
10th Floor, Two Leadership Square
211 N. Robinson
Oklahoma City, OK 73102
Ron.Shinn@mcafeetaft.com

CERTIFIED MAIL NO. 9214 8902 0982 7500 0099 95

and that notification was sent to:

NAIC/RIRS

and to all appointing insurers

and a copy was delivered to:

Licensing Division
Anti-Fraud Unit


Barron B. Brown
Assistant General Counsel