

FILED

MAY 31 2019

**INSURANCE COMMISSIONER,
OKLAHOMA**

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

**STATE OF OKLAHOMA, ex rel. GLEN
MULREADY, Insurance Commissioner,**

Petitioner,

v.

**HAROLD GONZALEZ,
a resident producer,**

Respondent.

Case No. 18-0462-DIS

CONSENT ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, and Respondent Harold Gonzalez and stipulate to the following facts and applicable laws. The Parties consent to entry of this Order.

JURISDICTION

1. Glen Mulready 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.* including the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 *et seq.*

2. Respondent Harold Gonzalez ("Respondent") holding license number 10401, was licensed by the State of Oklahoma as a resident insurance producer as defined and required by 36 O.S. § 1435.2(7). Respondent's license expired June 2018 and has applied for renewal of his resident insurance producer license. His address of record is [REDACTED]
[REDACTED]

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

STIPULATIONS OF FACT

1. On or about December 11, 2017, the Anti-Fraud Unit of the Oklahoma Insurance Department (the "Department") received a complaint through its Fraud Stoppers e-mail regarding Respondent.

2. Investigator April Moore, an investigator with the Department, was assigned to investigate the matter.

3. Investigator Moore's investigation revealed the following:

Fictitious Policies

- a. Respondent was a captive agent for Farmers Insurance.
- b. An internal audit done by Farmers Insurance revealed Respondent received \$204,734.76 in unearned commission payments for issuing 277 fraudulent insurance policies (the "Policies").
- c. Respondent issued the Policies over the course of 9 years with the majority issued from 2014 to 2017.
- d. The Policies were Farmers Insurance fire policies issued with future effective dates. Premium was rarely remitted to Farmers Insurance for the Policies.
- e. Of the 277 Policies, 260 policies were cancelled by Respondent prior to the effective date of the individual policies.
- f. 146 of the Policies had the same mailing address of 2128 SW 29th Street, Oklahoma City, OK. As of December 7, 2017, this was the office address for Respondent.
- g. 76 of the Policies had the same mailing address of 2200 Shadowlake Drive, Oklahoma City, OK. This address was the former office address of Respondent.

- h. 9 of the Policies had the same mailing address of [REDACTED] OK which Respondent's home address.
- i. 8 of the Policies had an address which was Respondent's former home address.
- j. The Policies were submitted with the user ID belonging to Respondent.
- k. Respondent was interviewed and stated he did not meet with any of the customers for which he wrote the Policies.
- l. Respondent stated the customers were unaware the Policies were issued in their names.
- m. Respondent stated he uses his office or residence address as the mailing address so the customers would not know that the Policies had been issued in their names.
- n. Respondent reported that he would write policies with a future effective date to collect the commission payment from Farmers Insurance. Respondent reported he would then cancel the policies before they would go into effect.

4. Pursuant to the provisions of 36 O.S. § 1435.13:

- a. 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 or may levy a civil penalty in accordance with subsection D of this section or any combination of actions, for any one or more of the following causes:
 - i. Having admitted or been found to have committed any insurance unfair trade practice or fraud;
 - ii. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

- b. In addition to or in lieu of any applicable denial, probation, censure, suspension or revocation of a license, a person may, after opportunity for hearing, be subject to a civil fine of not less than One Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) for each occurrence. Said penalty may be enforced in the same manner in which civil judgments may be enforced.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(7) by fraudulently generating 277 fire policies in order to obtain commission payments from Farmers Insurance.
2. 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 by fraudulently generating 277 fire policies in order to obtain commission payments from Farmers Insurance.

ORDER

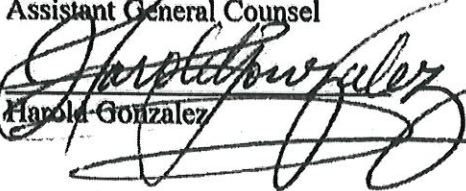
IT IS THEREFORE ORDERED by the Insurance Commissioner and **CONSENTED** to by the Respondent that his Insurance Producer license is **revoked** and his application for renewal is **denied**.

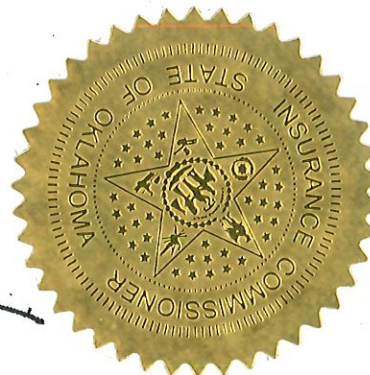
WITNESS My Hand and Official Seal this 28th day of May 2019.


JOHN MILLER
HEARING EXAMINER

AGREED:


Sara A. Worten
Assistant General Counsel


Harold Gonzalez



CERTIFICATE OF MAILING

I, Sara A. Worten, hereby certify that a true and correct copy of the above and foregoing Consent was sent by electronic mail and mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 5th day of June, 2019 to:

Harold Gonzalez



CERTIFIED MAIL NO:
9214 8902 0982 7500 0214 09

Harold Gonzalez



CERTIFIED MAIL NO:
9214 8902 0982 7500 0214 16

and that a copy was delivered to:

April Moore Anti-Fraud Team
Courtney Phillips/Producer Licensing Division


Sara A. Worten