BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
NOV 30 2018
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,	)	
Petitioner,	)	
v.	)	**Case No. 18-0516-DIS**
JEFFREY WILSON COX, a resident producer,	)	
Respondent.	)	

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act, *36 O.S. §§ 1435.1 et se*q., and came on for a Show Cause Hearing on November 8, 2018. Petitioner, State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, appeared and was represented by counsel, Sara A. Worten, Assistant General Counsel. Respondent, Jeffrey Wilson Cox, appeared in person.

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

2. Respondent Jeffrey Wilson Cox ("Respondent") holding license number 100146786, is licensed by the State of Oklahoma as a resident insurance producer as

defined and required by *36 O.S. § 1435.2(7)*. His address of record is [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. Petitioner afforded Respondent an opportunity for hearing by personally delivering the *Notice of Hearing and Order to Show Cause* to Respondent on October 12, 2018. The *Notice of Hearing and Order to Show Cause,* filed on October 4, 2018, 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.

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

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

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

8. The following exhibits were introduced and admitted:

   a. Exhibit 1 – NOPFA Premium Payment Checks;

   b. Exhibit 2 Premium Finance Agreement;

   c. Exhibit 3 Letter to NOPFA Board Members;

d. Exhibit 4 Premium Finance Agreement Account Status Detail; and

e. Exhibit R1 – Letter of Acknowledgement.

9. The following witnesses were sworn and testified under oath:

a. Stephen Colburn, Oklahoma Insurance Department Anti-Fraud Unit Investigator.

b. Jeffrey Wilson Cox, Respondent.

10. In May 2018, the Anti-Fraud Unit of the Oklahoma Insurance Department (the "Department") received a complaint from representative of Northeast Oklahoma Public Facilities ("NOPFA") regarding Respondent.

11. The matter was assigned to Investigator Stephen Colburn of the Department. Investigator Colburn's investigation revealed that Respondent collected full premium payment due from NOPFA, the policy holder, and subsequently financed the premium without the policy holder's knowledge.

12. Jim Reagan a representative of NOPFA, purchased, on behalf of NOPFA, automobile insurance, property insurance, commercial general liability insurance, and directors and officers liability insurance through JCI Enterprises, LLC, an agency owned by the Respondent. The total premium for the insurance purchased was $99,515.00. NOPFA paid all premium in full on September 18, 2017.

13. Respondent admitted to receiving the payment of premiums in full from NOPFA and then financing the premium in the amount of $80,022.45. He stated he used the NOPFA premium money to pay for financial issues with his other business. He admitted he did not explain to Mr. Reagan that he was entering into a premium finance

agreement for payment of the premiums. Respondent admitted he put his company, JCI Enterprise's address on the finance papers so he would receive notice of payment and not NOPFA.

14. Respondent admitted Exhibit R1 into evidence and provided explanation as to his actions. He confirmed that he received premium payment from NOPFA in full and used that premium payment for other business issues. He confirmed the premium finance agreement was paid in full.

CONCLUSIONS OF LAW

1. Respondent violated *36 O.S. § 1435.13(A)(4)* by misappropriating or converting the premium payment received from a policy holder.

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 keeping the full premium payment paid by a policy holder for use other than policy holder's premium payment.

ORDER

IT IS THEREFORE ORDERED that Jeffrey Wilson Cox's Resident Insurance Producer license is suspended for 90 days. The suspension of Respondent's license is to begin March 2, 2019.

IF IS FURTHER ORDERED that Respondent is fined in the amount of $1,000.00 and ordered to pay the costs of the proceeding in the amount of $125.00. The fine and costs are to be paid to the Oklahoma Insurance Department no later than February 6, 2019. The Insurance Commissioner shall notify all appointing insurers of the suspension and shall notify the Central Office of the National Association of Insurance Commissioners of Respondent's suspension.

Done this 28th day of November, 2019.

JOHN D. MILLER
INDEPENDENT HEARING EXAMINER
OKLAHOMA INSURANCE DEPARTMENT

INSURANCE COMMISSIONER STATE OF OKLAHOMA

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 30th day of November 2018 to:

Jeffrey Wilson Cox
[redacted]

CERTIFIED MAIL NO.
9214 8902 0982 7500 0149 82

and that notification was sent to:

NAIC/RIRS
All Appointing Insurers

and that a copy was delivered to:

Stephen Colburn/ Anti-Fraud Team

Sara A. Worten