

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

FILED
MAR 04 2019
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
ANDREW F. FORD, a previously licensed)
resident insurance producer,)
)
Respondent.)

Case No. 19-0088-DIS

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through his counsel, Teresa L. Green, and alleges and states as follows:

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 Andrew F. Ford ("Respondent") is a previously licensed resident insurance producer in the State of Oklahoma, license number 100191356. Respondent voluntarily surrendered his resident insurance producer license on February 11, 2019, following the events described under the Findings of Fact. Respondent's mailing 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 not less than \$100.00 nor more than \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code. *36 O.S. § 1435.13(A) and (D)*.

FINDINGS OF FACT

4. Respondent's received an appointment with Farmers Insurance Group on or about March 31, 2015.

5. In July 2015, Respondent was appointed to a program that qualified him for monthly subsidy if he met quarterly production requirements.

6. From December 2016 through about September 2018, Respondent created renters and homeowners policies for the purpose of generating commissions and subsidies.

7. In October 2018, Farmers Insurance Group initiated an internal investigation after the company noted concerns with approximately one hundred fifty-six (156) renters' policies that were cancelled back to their effective dates with no premium payments received.

8. The investigation discovered that Respondent wrote approximately three hundred ten (310) fictitious renters policies and eight (8) fictitious homeowners policies in order to inappropriately increase his commission payments and to obtain additional subsidy payments.

9. As a result of Respondent's actions, Farmers Insurance Group sustained a total loss of approximately \$112,369.54. Farmers Insurance Group was able to recover approximately \$55,846.59.

10. On or about October 17, 2018, Respondent signed a statement admitting to submitting over three hundred (300) fictitious renters policies.

11. Respondent's appointment was terminated on or about January 31, 2019, for willful misrepresentation.

12. On or about February 11, 2019, Respondent surrendered his resident producer license to the Oklahoma Insurance Department.

13. The Insurance Commissioner may impose a civil fine when a producer intentionally misrepresents the terms of an actual or proposed application for insurance, has admitted or been found to have committed any insurance unfair trade practice or fraud, or has used fraudulent, coercive, or dishonest practices, or demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. *See 36 O.S. §§ 1435.13(A)(5), (7) and (8).*

CONCLUSIONS OF LAW

14. Respondent violated *36 O.S. § 1435.13(A)(5)* for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance when Respondent wrote over three hundred (300) fictitious renters policies and additional fictitious homeowners policies for the purpose of increasing commissions and subsidies.

15. Respondent violated *36 O.S. § 1435.13(A)(7)* for having admitted or been found to have committed any insurance unfair trade practice or fraud when Respondent was found by insurer's internal investigation and admitted to writing over three hundred (300) fictitious renters policies and additional fictitious homeowners policies for the purpose of increasing commissions and subsidies.

16. Respondent violated *36 O.S. § 1435.13(A)(8)* for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere when Respondent wrote over three hundred (300) fictitious renters policies and additional fictitious homeowners policies for the purpose of increasing commissions and subsidies.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondent is hereby **fined THREE THOUSAND DOLLARS (\$3,000.00)** for violation of *36 O.S. §§ 1435.13(A)(5), (7) and (8)*. **The \$3,000.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The \$3,000.00 civil fine shall be paid by **money order or cashier's check**.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Findings of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above will become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Teresa L. Green, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing will be conducted according to the procedures for contested cases under the Insurance Code and *75 O.S. § 250-323*. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order will act as notice of the matters to be reviewed at the hearing, and the Findings of Fact, Conclusions of Law, and penalties imposed in this Conditional Order will be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 4th day of March, 2019.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

A handwritten signature in blue ink, appearing to read "Teresa L. Green", is written over a horizontal line. The signature is fluid and cursive.

Teresa L. Green, OBA #32897
Assistant General Counsel
Oklahoma Insurance Department
3625 NW 56th Street, Suite 100
Oklahoma City, OK 73112
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

CERTIFICATE OF MAILING

I, Teresa L. Green, hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was mailed by certified mail, with postage prepaid and return receipt requested, on this 4th day of March, 2019 to:

Andrew F. Ford



CERTIFIED MAIL NO.

9214 8902 0982 7500 0178 08

and a copy was delivered to:

Anti-Fraud Division

A handwritten signature in blue ink, appearing to read 'T. Green', written over a horizontal line.

Teresa L. Green
Assistant General Counsel