

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
SEP 04 2019
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
GEORGE RUSSEL DUGGER,)
a resident producer,)
)
Respondent.)

Case No. 19-0233-DIS

CONSENT ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, and the Respondent, George Russel Dugger, 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 George Russel Dugger ("Respondent") holding license number 100151912, 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 10159 E. 11th Street, Suite 420, Tulsa, Oklahoma.

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

STIPULATIONS OF FACT

1. In February 2019, the Anti-Fraud Unit of the Oklahoma Insurance Department (the "Department") received a complaint from Farmers Insurance Group ("Farmers") regarding Respondent.

2. The complaint from Farmers stated that Respondent received and documented 12 cash payments totaling \$3,850.42 from December 2017 to August 2018, but he did not make the corresponding deposits to Farmers.

3. The matter was assigned to Investigator Rick Koch of the Department.

4. Respondent was interviewed on December 6, 2018, by Farmer's employee Investigator Michael Vidal with Farmer's District Manager Cory Washam present for the interview.

5. The investigation revealed that from December 14, 2017 to August 13, 2018, 12 receipts for payment of premium were made to Respondent's agency, but Respondent never deposited with Farmers payment of the policies premiums. The amount of premium which Respondent failed to pay to Farmers is \$3,850.42.

6. The investigation did not reveal the whereabouts of the missing \$3,850.42 nor does Respondent provide an explanation.

7. Respondent admitted he failed to pass on the premium payments to Farmers.

8. 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. Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business;
 - 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)(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;
 - a. failing to deposit premium payments in the amount of \$3,850.42 in Farmer's account;
 - b. and by being unable to account for the \$3,850.42.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner and
CONSENTED to by the Respondent that his producer licenses is hereby REVOKED.


WITNESS My Hand and Official Seal this 30th day of August 2019.





John D. Miller
Hearing Examiner

AGREED:



Sara A. Worten
Assistant General Counsel
Oklahoma Insurance Department



George Russel Dugger
Respondent

CERTIFICATE OF MAILING

I, Sara A. Worten, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by electronic mail, first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 04 day of September, 2019 to:

George Russell Dugger



CERTIFIED MAIL NO:
9214 8902 0982 7500 0233 73

and that a copy was delivered to:

Rick Koch/ Anti-Fraud Team
Courtney Khodabakhsh

A handwritten signature in cursive script, appearing to read 'Sara A. Worten', written over a horizontal line.
Sara A. Worten