

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
OCT 16 2020
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
NATHAN COSBY,)
a resident producer,)
)
Respondent.)

Case No. 20-0231-DIS

AGREED ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through counsel, Antuanya "Bo" DeBose, and Respondent Nathan Cosby, by and through counsel Seth Day, and agree to entry of this Order.

JURISDICTION

The parties stipulate to the following:

1. Glen Mulready 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. §§ 101-7401, including the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 et seq..
2. Respondent Nathan Cosby ("Respondent") holding license number 100223513, 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]
[REDACTED]
3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. § 1435.13(A) and (D).

4. The Insurance Commissioner, pursuant to *36 O.S. § 319*, has appointed an independent hearing examiner who shall sit as a quasi-judicial officer.
5. Informal disposition of this matter may be made by agreed settlement pursuant to *75 O.S. §309(E)*.

FINDINGS OF FACT

1. On or about September 13, 2019, Allstate submitted a complaint to the Oklahoma Insurance Department ("OID") alleging Respondent falsified driver's license numbers on auto insurance applications and intentionally provided false information to Allstate. Lucia Montano ("Investigator Montano"), a Senior Investigator and Attorney for Allstate investigated the matter on their behalf. OID assigned Investigator Robert E. Lee of the Anti-Fraud Division to further investigate.
2. There were over sixty (60) policies from the Mason Cummings Allstate Insurance Agency ("Agency") between 2016 and 2018 with fictitious driver's license numbers. Of those sixty (60) policies, at least forty-seven (47) were bound by Respondent using incorrect Driver's License numbers while he worked at the Agency.
3. Investigator Montano conducted a telephone interview with Respondent July 24, 2019. During that interview, Respondent admitted he knowingly entered fictitious driver's license numbers on the auto policy applications for some customers while working at the Agency.
4. Respondent advised the owner of the Agency trained him to utilize a fictitious driver's license number to submit on documentation provided to Allstate. When the driver's license was not obtained from the customer, Respondent used a driver's license number that was knowingly false which would pull back a report. Each time this dummy

driver's license number was used a report would come back with the actual applicant's name and address. Respondent was under the impression Allstate was able to pull the correct information even with the fictitious number.

5. Respondent acknowledged he provided false information to Allstate by provided Driver's License numbers on applications which he knew did not belong to the customers. He engaged in this behavior to enable the policy to be bound.

6. 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:
 - a. 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)(8)*, using the fraudulent and dishonest practice of submitting auto insurance applications to Allstate with fictitious driver's license numbers in forty-seven (47) policies.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner and AGREED by Respondent that his resident producer license number 100223513 is hereby SUSPENDED for a period of three (3) months.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner and AGREED by Respondent that he is hereby FINED in the amount of SEVEN HUNDRED FIFTY DOLLARS (\$750.00). The fine shall be paid within thirty (30) days from the date of this Agreed Order and made payable to the Oklahoma Insurance Department, located at 400 NE 50th Street, Oklahoma City, Oklahoma 73112. Failure to comply with a proper order of the Commissioner will result in further administrative action.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner and AGREED by Respondent that he will take two (2) hours of ethics course work in addition to the ethics course work required in 36 O.S. §1435.29(A)(3) by January 31, 2021.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner and AGREED by Respondent that should additional administrative action be taken relating to similar actions of other producers at the Agency, Respondent will make himself available to testify.

WITNESS My Hand and Official Seal this 13 day of October 2020.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA


CHARLES F. ALDEN, III
Hearing Examiner

AGREED TO:

AS DeBose

Antuanya "Bo" DeBose
ASSISTANT GENERAL COUNSEL

Seth Day

Seth Day
ATTORNEY FOR RESPONDENT

Nathan Cosby

Nathan Cosby
RESPONDENT

CERTIFICATE OF MAILING

I, Antuanya "Bo" DeBose, hereby certify that a true and correct copy of the above and foregoing Agreed Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 16th day of October, 2020 to:

Nathan Cosby



CERTIFIED MAIL NO:
9214 8902 0982 7500 0318 11

AND

Seth Day
Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C.
Chase Tower
100 North Broadway, Suite 2900
Oklahoma City, Oklahoma 73102

CERTIFIED MAIL NO:
9214 8902 0982 7500 0318 28

and that a copy was delivered to:

Licensing Division

AS DeBose


Antuanya "Bo" DeBose

Statement

My name is Nathan Cosby and I am licensed by the State of Oklahoma as a resident insurance producer, holding license number 100223513. Between 2016 and 2018, I knowingly entered fictitious driver's license numbers on at least forty-seven (47) auto policy applications and provided those applications to Allstate while working at the Mason Cummings Allstate Insurance Agency. I knew at the time the driver license numbers provided did not belong to the customers and I engaged in this behavior to enable the policy to be bound.

The owner of the Agency, Mason Cummings, trained me on how to utilize a fictitious driver's license number to submit documentation provided to Allstate. If there was not a driver's license number available, then we used a number on hand which would pull back a report. Each time this dummy driver's license number was used a report would come back with the actual applicant's name and address. I was always under the impression Allstate was able to pull the correct information even with the fictitious number. Because Mr. Cummings instructed me on how to do this, I never believed it was against any rule or regulation, nor did I believe it would be inconsistent with Allstate.

Entering fictitious driver's license numbers on auto policy applications and submitting those applications to Allstate was an agency wide practice at the Mason Cummings Allstate Insurance Agency, also engaged in by Mason Cummings and Eric Rice.



Nathan Cosby
RESPONDENT

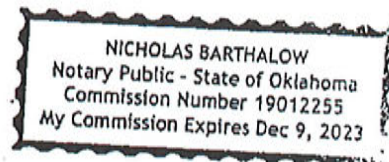
SUBSCRIBED AND SWORN TO before me this 5th day of October, 2020.



Notary Public

My Commission Expires: Dec 9, 2023

My Commission Number: 19012255



[SEAL]