

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
SEP 07 2021
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
)
vs.)
)
JOSEPH NERONE, an applicant)
for a resident adjuster license,)
)
Respondents.)

Case No. 21-0360-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, Molly K. Clinkscales, and alleges and states as follows:

JURISDICTION

1. The Insurance Commissioner of the State of Oklahoma, Glen Mulready, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.*, including the Insurance Adjusters Licensing Act, 36 O.S. §§ 6201–6223.

2. Respondent Joseph Nerone (“Respondent”) is an applicant for a resident adjuster license, former license number 40084906. Respondent’s mailing address of record is [REDACTED]
[REDACTED]

3. The Insurance Commissioner may censure, suspend, revoke, or refuse to issue or renew a license issued pursuant to the Insurance Adjusters Licensing Act and/or may levy a civil fine up to \$1,000.00 for each occurrence of a violation of the Insurance Adjusters Licensing Act pursuant to 36 O.S. § 6220(A)–(B).

4. The Oklahoma Insurance Department shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this title against any person who is under investigation for or charged with a violation even if the person's license or registration has been surrendered or has lapsed by operation of law. 36 O.S. § 6220(E).

FINDINGS OF FACT

5. On or about September 30, 2019, Respondent's adjuster license for the State of Oklahoma expired.

6. Between the approximate dates of October 1, 2019 through July 19, 2021, Respondent adjusted three hundred and three (303) claims for GEICO Casualty Company and related entities.

7. As a result, these three hundred and three (303) claims were adjusted by Respondent while his license was expired.

8. The Insurance Commissioner may subject any person violating the provisions of the Insurance Adjusters Licensing Act to civil fines of not more than \$1,000 for each violation. 36 O.S. § 6220(A)–(B).

9. Pursuant to the Insurance Adjuster Licensing Act, an adjuster shall have authority in accordance with his or her license only to investigate or report to his or her principal upon claims on behalf of the insurers if the adjuster is licensed as an insurance adjuster, or on behalf of the insured if licensed as a public adjuster. 36 O.S. § 6216(A).

10. Pursuant to 36 O.S. § 6220(A)(9), the Insurance Commissioner holds the authority to discipline a person for “[a]djusting losses or negotiating claim settlements arising pursuant to provisions of insurance contracts on behalf of an insurer or insured without proper licensing from the Commissioner”.

CONCLUSIONS OF LAW

11. Respondent violated 36 O.S. § 6220(A)(9) by adjusting losses or negotiating claim settlements arising pursuant to provisions of insurance contract on behalf of an insurer or insured without proper licensing from the Commissioner when Respondent adjusted three hundred and three (303) claims between October 1, 2019 and July 19, 2021 for GEICO Casualty Company and related entities.

NOTICE OF RIGHT TO BE HEARD

The Insurance Commissioner may hold hearings over any matter within his jurisdiction at his own motion or by granting the written demand of a person aggrieved by an act of the Insurance Commissioner. OAC 365:1-7-1.

Respondent may request a hearing for this matter in writing pursuant to OAC 365:1-7-1. The request for hearing must specify the grounds to be relied upon as a basis for to set aside or modify this Conditional Order. If a hearing is requested, the Insurance Commissioner will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing in accordance with 36 O.S. § 319.

A request for hearing shall be in writing and addressed to Molly Clinkscales, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma, 73105. The request shall be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on such requested hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.*, and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250–323. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as a 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 shall be considered withdrawn, pending final resolution at the hearing.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondent is hereby **FINED SEVEN HUNDRED AND FIFTY DOLLARS (\$750.00)** for violation of 36 O.S. § 6220(A)(9). **The \$750.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The \$750.00 civil fine shall be paid by **money order or cashier's check**. Respondent's application for a non-resident insurance adjuster license may be granted upon receipt of payment of the fine. Failure to pay the civil fine or request a hearing within thirty (30) days of mailing this Order may result in license application being withdrawn.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless Respondent requests a hearing with respect to the Findings of Fact set forth above within thirty (30) days of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first (31st) day following the mailing of this Order.

WITNESS My Hand and Official Seal this 7 day of September, 2021.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



Molly K. Clinkscales, OBA# 33862
Assistant General Counsel
Oklahoma Insurance Department
400 NE 50th Street
Oklahoma City, Oklahoma 73105
(405) 521-4036

CERTIFICATE OF MAILING

I, Molly K. Clinkscales, 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 7th day of September, 2021, to:

Joseph Nerone



JNerone@geico.com

CERTIFIED MAIL NO.

9214 8902 0982 7500 0398 62

With a copy to:

Nicole Godfrey
OID Licensing Division

A handwritten signature in blue ink that reads "Molly Clinkscales".

Molly K. Clinkscales
Assistant General Counsel