

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

STATE OF OKLAHOMA, ex rel. GLEN )  
MULREADY, Insurance Commissioner, )  
 )  
Petitioner, )  
vs. )  
 )  
CK SPECIALTY INSURANCE ASSOCIATION )  
INC. a nonresident surplus lines broker in the )  
State of Oklahoma, )  
 )  
Respondent. )

CASE NO. 23-0308-DIS

**FILED**  
JUN 01 2023  
INSURANCE COMMISSIONER  
OKLAHOMA

**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 counsel, Andrea M. Golden, and alleges and states as follows:

**JURISDICTION**

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.*, and the Oklahoma Unauthorized Insurers and Surplus Lines Insurance Act, 36 O.S. § 1100 *et seq.*, and the Unfair Claims Settlement Practices Act, 36 O.S. § 1250.1 *et seq.*
2. Respondent Ck Specialty Insurance Association, Inc., is a nonresident surplus lines broker holding license number 10012910. Respondent's address of record is 13504 Northeast 84th Street, Suite 103-227, Vancouver, Washington 98682. Respondent's nonresident surplus lines broker license expired December 31, 2022.
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) and 36 O.S. § 1435.18(D).

4. If Respondent requests a hearing in writing in this matter, pursuant to OAC 365:1-7-1, the Insurance Commissioner, pursuant to 36 O.S. § 319, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing requested by Respondent.

5. The Insurance Commissioner, pursuant to OAC 365:1-7-5, upon written request reasonably made by a person affected by the hearing and at such person's expense, shall cause a full stenographic record of the proceedings to be made by a competent court reporter.

### **FINDINGS OF FACT**

6. Pursuant to 36 O.S. § 1101(A), "no person in Oklahoma shall in any manner represent or assist any nonadmitted insurer in the soliciting, procuring, placing, or maintenance of any nonadmitted insurance coverage upon or with relation to any subject of insurance resident, located, or to be performed in Oklahoma without being a surplus lines licensee or broker as defined in the Oklahoma Unauthorized Insurers and Surplus Lines Insurance Act."

7. Pursuant to 36 O.S. § 1435.4(A), a person, including a business entity, "shall not sell, solicit, or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with the Oklahoma Producer Licensing Act."

8. Pursuant to 36 O.S. § 1435.18(D), the provisions of this section shall apply to all licenses under... the Unauthorized Insurers and Surplus Lines Insurance Act, Section 1100 et seq. of this title, the Oklahoma Producer Licensing Act, Section 1435.1 et seq. of this title....

9. On or about December 27, 2022, Respondent submitted a nonresident surplus lines broker renewal application.

10. On or about December 28, 2022, the Oklahoma Insurance Department ("OID") deemed the renewal application insufficient and e-mailed Respondent requesting more information.

11. On December 31, 2022, Respondent's nonresident surplus lines broker license expired.

12. On or about January 24, 2023, Respondent replied to the OID. On January 25, 2023, the OID requested a Letter of Explanation.
13. On or about February 9, 2023, Respondent's Designated Responsible Producer provided an explanation.
14. On February 14, 2023, the OID sent an e-mail requesting more information within twenty calendar (20) days. Respondent did not reply within twenty (20) days and the application was withdrawn.
15. On or about April 27, 2023, Respondent submitted a surplus lines reactivation application. On April 28, 2023, the OID sent a reactivation audit.
16. On May 15, 2023, Respondent reported it had solicited, negotiated, procured, placed, or maintained sixteen (16) nonadmitted insurance policies with an effective date after its license expired.
17. Pursuant to 36 O.S. § 1250.4(B), "Any person subject to the jurisdiction of the Commissioner, upon receipt of any inquiry from the Commissioner shall, within twenty (20) calendar days from the date of receipt of the inquiry, furnish the Commissioner with an adequate response to the inquiry. The Commissioner may, upon good cause shown and on a case-by-case basis, extend the time allowed for a response for up to seven (7) additional calendar days. Any inquiry or response subject to this subsection shall be delivered electronically."
18. Pursuant to 36 O.S. § 1250.14, "The Insurance Commissioner may, after notice and hearing, subject an insurer to a civil penalty of not less than one hundred dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) for each violation of the Unfair Claims Settlement Practices Act."
19. 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: ...

2. Violating any insurance laws, or violating any regulation, subpoena or order of the Insurance Commissioner or of another state's Insurance Commissioner."

20. Pursuant to 36 O.S. § 1435.13(D), "In addition to or in lieu of any applicable denial, probation, censure, suspension or revocation of a license, the Insurance Commissioner may levy 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**

21. Respondent violated 36 O.S. § 1435.4(A), 36 O.S. § 1435.13(A), and 36 O.S. § 1101(A) by soliciting, negotiating, procuring, placing, or maintaining sixteen (16) nonadmitted insurance policies to be performed in Oklahoma with effective dates after its license expiration.

22. Respondent violated 36 O.S. § 1250.4(B), by failing to provide an adequate response to an inquiry from the Commissioner within twenty (20) calendar days from the date of receipt.

#### **ORDER**

**IT IS THEREFORE ORDERED** that Respondent is hereby **FINED One Thousand Six Hundred Dollars (\$1,600.00)**. 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 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 the date of this Conditional

Order, the penalties set forth above will become a Final Order on the thirty-first (31<sup>st</sup>) day following the date of mailing this Order. A request for hearing should be in writing and addressed to Andrea M. Golden, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105. The request for hearing must state the grounds for the request to set aside or modify the Order and must 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 through 324. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order will 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.

WITNESS My Hand and Official Seal this 1<sup>st</sup> day of June 2023.



GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Andrea M. Golden, OBA# 33390  
Assistant General Counsel  
Oklahoma Insurance Department  
400 NE 50th Street  
Oklahoma City, Oklahoma, 73105  
Tel. (405) 521-2746  
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**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was sent via e-mail, mailed by certified mail, with postage prepaid and return receipt requested, on this 1<sup>ST</sup> day of June 2023, to:

Ck Specialty Insurance Associates, Inc.  
13504 NE 84th St.  
Ste. 103-227  
Vancouver, WA 98682  
angelline@ckspecialty.com  
justin@ckspecialty.com

**CERTIFIED MAIL NO:**  
**9214 8902 0982 7500 0544 90**

and a copy was delivered to:

Licensing Division &  
Comptroller Division/Premium & Surplus Lines Tax Division



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Andrea M. Golden  
Assistant General Counsel