BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
FEB 15 2024
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN MULREADY, Insurance Commissioner, Petitioner, vs. **LONDON UNDERWRITERS, LLC, d/b/a BUNCH INSURANCE,** an applicant for renewal of a nonresident business entity producer license and surplus lines license, Respondent.	)	Case No. 23-0732-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 counsel, Julie Reding, 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. §§ 101–7402, including the Oklahoma Unauthorized Insurers and Surplus Lines Insurance Act, 36 O.S. § 1100-1120, and the Unfair Claims Settlement Practices Act, 36 O.S. §§ 1250.1–1250.17, and the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1–1435.41.

2. London Underwriters LLC, doing business as Bunch Insurance, ("Respondent") holds an inactive nonresident business entity surplus lines license number 3000724394 and an expired non-resident business entity insurance producer license with the same number and NPN license number 15984682. Respondent's mailing address of record is P.O. Box 1270, Hallandale, FL 33008-1270.

3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. § 1250.4 and 36 O.S. §§ 1435.4, 1435.7 and 1435.13 (A) and (D).

4. 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 fine up to $1,000.00 for each violation of the Oklahoma Producer Licensing Act.

5. Pursuant to 36 O.S. § 1250.4(B) & (D), (failing to timely respond to an inquiry) any violation shall subject the insurer to discipline including a fine of not less than One Hundred Dollars ($100.00) nor more than Five Thousand Dollars ($5,000.00).

6. 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 quasi-judicial officer and preside over the hearing requested by Respondent.

7. 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

8. On or about November 30, 2022, Respondent's non-resident surplus lines (SL) broker license expired.

9. On December 1, 2022, Respondent's surplus lines (SL) renewal application was withdrawn due to an Oklahoma Tax Commission suspension.

10. On or about August 14, 2023, the OID Licensing Division received an email from OID's Financial Division stating that Respondent had submitted 1st and 2nd quarter SL taxes.

11. On or about October 3, 2023, Respondent timely applied to renew its non-resident producer license.

12. On or about October 6, 2023, OID sent a letter of inquiry to Respondent asking if it had sold, solicited or negotiated Surplus Line insurance on behalf or in the name of Respondent in Oklahoma or to Oklahoma customers since November 30, 2022. The inquiry letter was emailed to marco@londonuw.com, the business email address of record.

13. Respondent did not respond within the twenty (20) calendar day deadline.

14. On November 30, 2023, Respondent's non-resident producer license expired.

15. On or about December 19, 2023, OID Licensing called London Underwriters and was told that Mr. Daniel Feigenbaum, the designated responsible licensed producer (DRLP), holding license number 3000718581, and Mr. De Grandis (Submitter) were in a meeting and would get back to the OID Licensing.

16. On or about December 29, 2023, OID Licensing had not heard back from London Underwriters and OID Licensing emailed a second letter of inquiry asking if Respondent had sold, solicited or negotiated Surplus Lines insurance on behalf of or in the name of Respondent in Oklahoma or to Oklahoma customers since November 30, 2022. The inquiry letter was emailed to marco@londonuw.com, the business email address of record.

17. On or about December 29, 2023, OID Licensing became aware that Respondent had paid third (3rd) quarter Surplus Line taxes.

18. On or about January 2, 2024, Respondent responded that it had sold fourteen (14) surplus line policies since November 30, 2022 but the information did not include the dates of sales.

19. On or about January 23, 2024, the OID Licensing division requested that Respondent include the dates it had sold, solicited or negotiated policies since November 30, 2022.

20. On or about January 25, 2024, the Respondent responded and provided a list (including dates) acknowledging it sold thirty (30) policies since November 30, 2022 while its surplus license was inactive and expired.

21. From approximately November 30, 2022 to January 25, 2024, Respondent sold thirty (30) polices with an expired and inactive surplus lines license.

22. On or about February 6, 2024, Respondent applied for a non-resident surplus lines broker license.

23. Pursuant to 36 O.S. § 1250.4(B), any person subject to the jurisdiction of the Commissioner, upon receipt of an 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.

24. Pursuant to 36 O.S. § 1250.4(D), any violation by an insurer of this section shall subject the insurer to discipline including a civil penalty of not less than One Hundred Dollars ($100.00) nor more than Five Thousand Dollars ($5,000.00).

25. Pursuant to 36 O.S. § 1435.4(A), a person "shall not sell, solicit, or negotiate insurance in the state of Oklahoma 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."

26. Pursuant to 36 O.S § 1435.13(A):

> The Insurance Commissioner may place or 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 or 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.

...

15. Failing to respond to an inquiry from the Department as required in Section 1250.4 of this title;

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.4(A) and 36 O.S. § 1435.13(A)(2) by conducting the business of insurance of selling, soliciting, or negotiating thirty (30) policies with an inactive and expired non-resident surplus line license.

2. Respondent violated 36 O.S. § 1435.13(A)(15) and § 1250.4(B) by failing to timely respond to an inquiry within the twenty (20) calendar days.

ORDER

IT IS THEREFORE ORDERED, that Respondent is hereby **CENSURED** and **FINED** in the amount of **ONE THOUSAND FIVE HINDRED DOLLARS ($1500.00)** for violations of 36 O.S. § 1435.4(A) and 36 O.S. 1435.13(A)(2) and 36 O.S. § 1435.13(A)(15) & 36 O.S. § 1250.4(B). The fine shall be paid within thirty (30) days of the date of this order and made payable to the Oklahoma Insurance Department. The civil fine shall be paid by money order or cashier's check and shall be sent to the Oklahoma Insurance Department located at 400 N.E. 50th Street, Oklahoma City, Oklahoma 73105. 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 mailing of this Order, the penalties set forth above will become a Final Order on the thirty-first (31st) day following the date of mailing this Order. A request for hearing should be in writing addressed to

Julie Reding, Oklahoma Insurance Department, Legal Division, 400 N.E. 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. §§ 250-324. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall 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 shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 15th day of February 2024.

GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Julie Reding

Julie Reding, OBA No. 15522
Assistant General Counsel
Oklahoma Insurance Department
400 N.E. 50th Street
Oklahoma City, OK 73105

CERTIFICATE OF MAILING

I, Julie Reding, hereby certify that a true and correct copy of the above and foregoing *Conditional Order* was mailed by first class U.S. Mail and by certified mail, with postage prepaid and return receipt requested, and by email on this 15th day of February 2024 to:

London Underwriters, LLC
d/b/a Bunch Insurance
P.O. Box 1270
Hallandale, FL 33008-1270
Email: marco@londonuw.com

CERTIFIED MAIL NO:
9214 8902 0982 7500 0601 18

and a copy was delivered to:

Licensing Division

Julie Reding

Julie Reding, OBA No. 15522
Assistant General Counsel