BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
MAR 14 2024
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. **GLEN MULREADY**, Insurance Commissioner,	)	
Petitioner,	)	
v.	)	Case No. 23-0795-DIS
GOLDEN STATE CLAIMS ADJUSTERS, LLC, an applicant for a nonresident business entity adjuster license	)	
Respondent.	)	

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 attorney, 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 Insurance Adjusters Licensing Act, 36. O.S. §§ 6201--6223.

2. Golden State Claims Adjusters, LLC ("Respondent") is an applicant for a nonresident insurance adjuster license, transaction number 739544960. Respondent holds NPN number 17146012. Respondent's mailing address of record is 2244 Faraday Avenue, #126, Carlsbad, CA 92008,

3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. § 6220.

4. Pursuant to 36 O.S. § 6220(A)-(B), in addition to or in lieu of any applicable denial, probation, censure, suspension or revocation of or refusal to issue or renew a license, the Insurance Commissioner may levy a fine up to $1,000.00 for each violation of the Oklahoma Insurance Adjusters Licensing Act.

5. 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.

6. 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

1. On or about November 17, 2023, Respondent applied for a nonresident business entity insurance adjuster license.

2. On or about November 20, 2023, the Oklahoma Insurance Department License Division ("OID") reviews Respondent's application and administrative history in the NIPR "Warehouse" and notices Respondent's May 4, 2023 rebuttal in response to a Washington Office of Insurance Commissioner administrative action regarding adjusting claims without a license arguing that Respondent interpreted Washington insurance laws to not require a BE to have its own adjuster license if the BE's individual adjusters are licensed in that state.

3. On or about November 20, 2023, in the course of the reviewing Respondent's application and administrative history in the NIPR Warehouse, OID sent Respondent an audit to see if individuals adjusted any claims in Oklahoma on behalf of or in the name of Respondent

and if so to provide a list of all claims that were adjusted including the date of the claim, claim number, customer name and carrier name; the same OID letter to Respondent also asked Respondent to submit a letter from an owner/executive officer/designated responsible licensed producer (DRLP) stating that Respondent understands that the Oklahoma insurance code requires that both the business entity and individual adjusters hold valid licenses to adjust claims in Oklahoma. This letter was emailed to STACEYR@SISINSURE.COM, the business email on the NAIC State Based Systems (SBS) database.

4. On or about November 27, 2023, Michael Martin who identified himself as the general counsel for Respondent, responded that "all prior claims were adjusted by Oklahoma licensed claim examiners" and while Respondent had applied for licensure, Mr. Martin's "interpretation" led him to believe Respondent did not require a separate license and requested from OID "an advisory opinion or other interpreting documents." Respondent's response, did not include a list as requested in the November 20 OID audit.

5. On or about December 5, 2023 OID asked for a second time that Respondent provide OID with a list of all claims worked without an active license and include the date of the claim, claim number, customer name and carrier name.

6. On or about December 8, Respondent acknowledged that one hundred thirty-six (136) claims had been adjusted on behalf or in the name of Respondent without a valid nonresident business entity adjusters license.

7. Pursuant to 36 O.S. § 6620(A)(9), it is a violation of the Adjuster Licensing Act for any adjuster to "adjust losses or negotiate claim settlements arising pursuant to provisions of insurance contracts on behalf of an insurer or the insured party without proper licensing from the Commissioner."

8. Pursuant to 36 O.S. § 6220(A)-(B), in addition to any potential denial, censure, suspension or revocation or refusal to issue or renew a license, the Insurance Commissioner may subject any person violating the provisions of the Insurance Adjusters Licensing Act to civil fines of not more than One Thousand Dollars ($1,000.00) for each violation.

CONCLUSIONS OF LAW

9. Respondent violated 36 O.S. § 6220(A)(9) by adjusting losses or negotiating claim settlements arising pursuant to provisions of insurance contracts on behalf of an insurer or insured without proper licensing from the Insurance Commissioner when Respondent adjusted one hundred thirty-six (136) claims without a valid license from the Oklahoma Insurance Commissioner.

ORDER

IT IS THEREFORE ORDERED that Respondent is hereby **CENSURED** and **FINED TWO THOUSAND FIVE HUNDRED DOLLARS ($2,500.00).** The fine shall be paid within thirty (30) days of the date of this Conditional Administrative Order and made payable to the Oklahoma Insurance Department. The fine, in the form of a money order or check, shall be sent to the Oklahoma Insurance Department located at 400 NE 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 the 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 NE 50th St. 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. §§ 101–7402, 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 14th day of March 2024

GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Julie Reding

Julie Reding, OBA No. 15522
Assistant General Counsel
400 N.E. 50th St.
Oklahoma City, OK 73105
Tel.: 405-521-2746

CERTIFICATE OF MAILING

I, Julie Reding, 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 by email and certified mail with postage prepaid and return receipt requested on this 14th day of March 2024 to:

Golden State Claims Adjusters, LLC
2244 Faraday Avenue, #126
Carlsbad, CA 92008
EMAIL: STACEYR@SISINSURE.COM

CERTIFIED MAIL NO:
9214 8902 0982 7500 0609 58

and

that a copy was delivered to:

Licensing Division

Julie Reding
OBA No. 15522