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FILED

MAR 07 2024

INSURANCE COMMISSIONER

OKLAHOMA

0056-DIS

Case No. 24-0056-DIS

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner,
by and through counsel, Julie Reding, and alleges and states as follows:

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. §§ 101–7402, including the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1–1435.41.

2. Respondent Pawp Insurance Solutions, LLC, (“Respondent”) is an applicant for reactivation of its nonresident business entity surplus broker license; Respondent holds license number 3001624164. Respondent’s address of record is 8956 Fletcher Valley Drive, Santee, CA 92071-3963.

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. § 1435.4.

4. Pursuant to 36 O.S. § 1435.13(A) & (D), 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 up to One Thousand Dollars (\$1,000.00) for each violation of the Oklahoma Producer 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

7. On or about September 9, 2023, Respondent applied to renew its nonresident business entity surplus lines broker license (see NIPR Trans. #732906683).

8. On or about September 11, 2023, the Oklahoma Insurance Department Licensing Division ("OID") sent a request to sarah@pawp.com, the business email contact on record on the State Based Systems (SBS) for information regarding Respondent's Designated Responsible Licensed Party's (DRLP) residential address being a private mailbox at a UPS Store. The Respondent failed to respond to OID's request for information.

9. On or about October 3, 2023, Respondent's application was withdrawn due to Respondent not correcting the DRLP's residential address, substituting another qualified individual as DRLP, or submitting documentation verifying that the DRLP resided at the UPS Store within the statutorily defined deadline.

10. On or about October 31, 2023, Respondent's nonresident business entity surplus lines

broker license expired.

11. On or about December 7, 2023, Respondent's third-party vendor, Resource Pro, inquired about the status of the September 8, 2023 application and was informed that the application was withdrawn on October 3, 2023 due to Respondent not responding to OID's September 11, 2023 request for information. OID informed third party vendor that Respondent would need to submit a new application to reactivate its nonresident business entity surplus lines broker license.

12. On or about January 4, 2024, Respondent applied to reactivate its nonresident business entity surplus lines broker license.

13. On or about January 5, 2023, OID issued an audit letter requiring Respondent to disclose any instances Respondent acted as an insurance producer and surplus lines broker in the State of Oklahoma since October 31, 2023.

14. On or about January 19, 2024, Respondent provided a list acknowledging forty-one (41) occurrences of quoting, selling, soliciting, or negotiating insurance without an active Oklahoma business entity surplus lines broker license. However, four (4) of those policies fell within the thirty (30) days preceding Respondent's surplus lines broker license application submission and therefore the penalty for selling, soliciting, negotiating or procuring four (4) of the forty-one (41) surplus lines insurance policies, without a surplus lines broker license, are waived pursuant to 36 O.S. § 1435.4(B).

15. December 5, 2023 is the date preceding thirty (30) days from January 4, 2024.

16. 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.

17. Respondent sold, solicited, negotiated or procured forty-one (37) surplus line policies

between October 31, 2023 and December 5, 2023 without a valid business entity surplus lines broker license.

18. 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; . . .

19. 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, a person may, after opportunity for hearing, be subject to a civil fine of not more than One Thousand Dollars (\$1,000.00) for each occurrence.

CONCLUSIONS OF LAW

20. Respondent violated 36 O.S. § 1435.4(A) and 36 O.S. § 1435.13(A)(2), by conducting the insurance-related business of selling, soliciting, negotiating or procuring thirty-seven (37) policies while its surplus lines broker license was expired.

ORDER

IT IS THEREFORE ORDERED that Respondent is hereby **CENSURED** and **FINED Four Hundred Fifty Dollars (\$450.00)**. 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 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 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 (31st) day following the date of mailing this Order. A request for hearing should be in writing and addressed to Julie Reding, 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 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 7th day of March 2024.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Julie Reding
Julie Reding, OBA No. 15522
Assistant General Counsel
Oklahoma Insurance Department
400 NE 50th Street

Oklahoma City, Oklahoma 73105
Tel. (405) 521-2746
Fax (405) 522-0125

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 mailed by e-mail and by certified mail, with postage prepaid and return receipt requested, on this 7th day of March 2024 to:

Pawp Insurance Solutions, LLC
8956 Fletcher Valley Drive
Santee, CA 92071-3963
Email: andrew@pawp.com

**CERTIFIED MAIL NO:
9214 8902 0982 7500 0606 82**

and a copy was delivered to:

Licensing Division



Julie Reding, OBA No. 15522
Assistant General Counsel