

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**

JUL - 8 2008

STATE OF OKLAHOMA, ex rel. )  
KIM HOLLAND, Insurance Commissioner, )  
 )  
Petitioner )  
 )  
v. )  
 )  
FARMERS INSURANCE COMPANY, INC. )  
 )  
Respondent. )

INSURANCE COMMISSIONER  
OKLAHOMA

Case No. 07-0761-DIS

**CONDITIONAL ADMINISTRATIVE ORDER**  
**AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, ex rel. Kim Holland, and alleges and states as follows:

**JURISDICTION**

1. Kim Holland 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 et seq., including 36 O.S. § 1250.4.
2. The Respondent, Farmers Insurance Company, Inc., is a foreign insurer, licensed in the State of Oklahoma, holding certificate of authority number 3052.
3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. § 619.
4. If respondent requests a hearing in writing in this matter, pursuant to Oklahoma Administrative Code 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 Oklahoma Administrative Code § 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.

#### **ALLEGATIONS OF FACT**

1. That Respondent is a foreign insurer, licensed in the State of Oklahoma holding certificate of authority number 3052.

2. That on May 3, 2007, Petitioner received a request for assistance on behalf of Lacey Holthus ("Holthus"). Holthus' complaint alleged that a fax was sent to Farmers Insurance Company ("Respondent") providing additional information for supplemental expenses on claim number 1008301023. Respondent acknowledged receipt of the fax on February 12, 2007. Respondent neither paid the supplemental expenses nor responded to Holthus' request within thirty (30) days.

3. Holthus filed a complaint with OID on May 3, 2007. Subsequently, Petitioner sent a letter requesting information from Respondent regarding claim number 1008301023.

4. On May 24, 2007, Respondent finally responded to Holthus' fax dated February 12, 2007, by issuing two checks for the supplemental expenses. Respondent's response was sent approximately one hundred and two (102) days after the initial request was received.

#### **ALLEGED VIOLATIONS OF LAW**

That the Respondent violated 36 O.S. § 1250.4(C) by failing to respond within thirty (30) days to a written communication from a claimant which reasonable suggests that a

response is expected.

**ORDER**

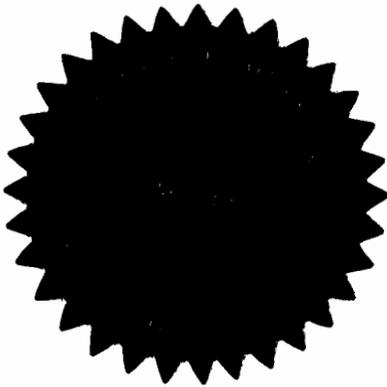
**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. § 1250.4(C) and is fined in the amount of **ONE Hundred AND NO/100 DOLLARS . Fine to be paid immediately and remitted to the Oklahoma Insurance Department and mailed to ATTN: Sandra LaVenue, Legal Division, P.O. Box 53408, Oklahoma City, OK 73152-3408.**

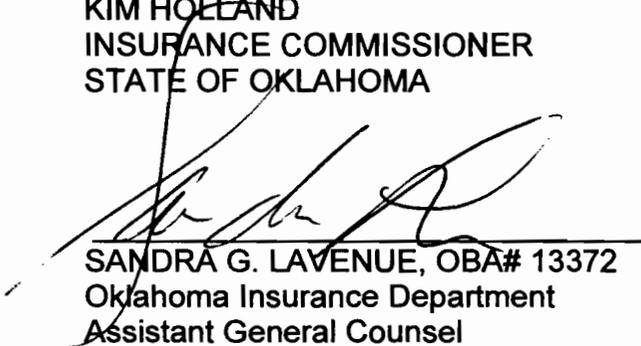
**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing of this Order. Such request for a hearing, if desired, shall be made in writing, addressed to Sandra LaVenue, Oklahoma Insurance Department, Legal Division, P.O. Box 53408, Oklahoma City, Oklahoma 73152-3408 and must be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on any such requested hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 through 7004, and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 through 403. If the 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 Allegations of

the hearing, and the Allegations of Fact, Alleged Violations 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 8<sup>th</sup> day of July, 2008.

KIM HOLLAND  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA



  
SANDRA G. LAVENUE, OBA# 13372  
Oklahoma Insurance Department  
Assistant General Counsel

**CERTIFICATE OF MAILING**

I, Sandra G. LaVenue, 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 via certified mail with postage prepaid and return receipt requested on this 9<sup>th</sup> day of July 2008, to:

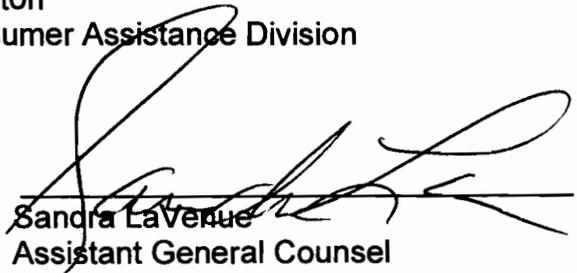
Farmers Insurance Company, Inc.  
17000 W. 119th St.  
Olathe , Kansas 66061

CERTIFIED NO.7001 0320 0004 0178 8056

and that a copy was delivered to:

Chris Van Ess, Director  
Financial Division

Jason Johnston  
Claims/Consumer Assistance Division

  
Sandra LaVenue  
Assistant General Counsel