

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

STATE OF OKLAHOMA, ex rel.)
KIM HOLLAND, Insurance Commissioner,)

JUL - 3 2008

Petitioner)

INSURANCE COMMISSIONER
OKLAHOMA

v.)

Case No. 08-0990-DIS

WORK FIRST CAUSUALTY COMPANY)

Respondent.)

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. § 987.

2. The Respondent, Work First Casualty Company, is a foreign insurer, licensed in the State of Oklahoma, holding certificate of authority number 4286.

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 the 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 the 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 4286.
2. That Respondent filed in Oklahoma filing 2006-1474-C, a loss cost multiplier of 1.467 effective March 20, 2006.
3. That Respondent continued to use the previous loss cost multiplier of 1.515 in effect prior to the effective date of Oklahoma filing 2006-1474-C.
4. That eight (8) policies have been issued by Respondent using the incorrect loss cost multiplier since March 20, 2006
5. That Respondent violated 36 O.S. § 987 eight (8) times since March 20, 2006, by using a rate in excess of the loss cost multiplier filed in Oklahoma filing 2006-1474-C.
6. That the violation arose from a miscommunication between Respondent and Respondent's actuary and that Respondent corrected the application of the incorrect loss cost multiplier immediately and is currently utilizing the correct loss cost multiplier.
7. That Respondent is currently in the process of refunding all premiums due their policyholders because of the incorrect calculation.

ALLEGED VIOLATIONS OF LAW

That the Respondent violated 36 O.S. § 987 by issuing eight (8) policies using a loss cost multiplier in excess of the loss cost multiplier provided in Oklahoma filing 2006-1474-

C.

ORDER

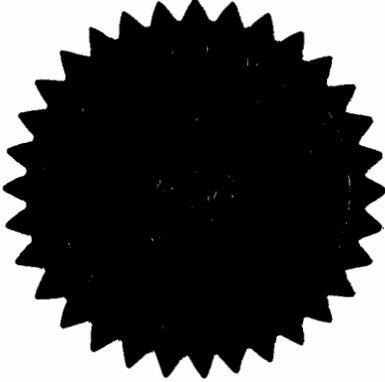
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. § 987 and is hereby censured and shall make any and all corrective efforts to prevent the activity detailed in the stipulated facts of this Order from occurring in the future.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Respondent shall continue to promptly notify OID of any future violations that come to their attention.

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 LaVene, 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 et seq., and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 through 327. 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 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 3rd day of July, 2008.

KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



A handwritten signature in black ink, appearing to read 'Sandra G. Lavenue', is written over a horizontal line. The signature is fluid and cursive.

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

CERTIFICATE OF MAILING

I, Sandra G. LaVenu, 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 3rd day of July, 2008, to:

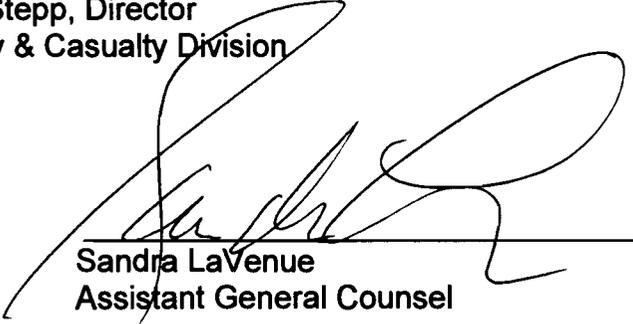
Stephanie Long
Work First Casualty Company
3411 Silverside Road
Baynard Building, Suite 101
Wilmington, DE 19810

CERTIFIED NO. 7001 0320 0004 0178 8063

and that a copy was delivered to:

Chris Van Ess, Director
Financial Division

Kathie Stepp, Director
Property & Casualty Division



Sandra LaVenu
Assistant General Counsel