

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED

FEB 20 2009

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel.)
KIM HOLLAND, Insurance Commissioner,)
)
 Petitioner,)
)
vs.)
)
PRIME TRAVEL PROTECTION, INC.,)
UNIVERSAL ASSURANCE)
GROUP, LTD D/B/A TRAVELER)
PROTECTION SERVICES, INC.,)
VACATION PROTECTION SERVICES, INC.,)
J& C ENTERPRISES, PROTECTION)
PARTNERS, INC., SUPERIOR TRAVEL)
PROTECTION, INC., AND JERRY A.)
WATSON, individually,)
)
 Respondents.)

Case No. 08-1869-UNI

APPLICATION FOR CEASE AND DESIST ORDER

The Oklahoma Insurance Department (“OID”) through Assistant General Counsel Susan D. Dobbins applies for a Cease and Desist Order against Prime Travel Protection, Inc., Universal Assurance Group, LTD d/b/a Traveler Protection Services, Inc., J & C Enterprises, Protection Partners, Inc, Superior Travel Protection, Inc., Vacation Protection Services, Inc., and Jerry A. Watson hereafter collectively referred to as Respondents. The following information is offered in support of this Application:

RESPONDENTS AND SERVICE

Respondent Prime Travel Protection, Inc. is a Colorado corporation that sells travel insurance. Prime Travel Protection, Inc. is located at 2226 Island Point, Evergreen, Colorado, 80439 and may be served through its registered agent, Christine Watson, at 2226 Island Point,

Evergreen, Colorado, 80439. Universal Assurance Group, LTD d/b/a Traveler Protection Services, Inc. (hereafter Traveler Protection) is a Colorado corporation that sells travel insurance. Traveler Protection is located at 7450 West 52nd Avenue, Suite 336-M, Arvada, Colorado, 80002, and may be served through its registered agent, Christine Watson, at 2226 Island Point, Evergreen, Colorado, 80439. Traveler Protection was formerly known as Vacation Protection Services, Inc. J & C Enterprises is a Colorado corporation, with a principal address of 2132 Cramner Court, Evergreen, Colorado, 80439 and may be served at that address through its registered agent, Jerry Andrew Watson. Protection Partners, Inc., is a Colorado corporation that sells travel insurance. Protection Partners, Inc. has a principal address of 2132 Cramner Court, Evergreen, Colorado, 80439 and may be served at that address through its registered agent, Jerry Watson. Superior Travel Protection, Inc. is a Colorado corporation. The principal address of the corporation, and its registered agent, Jerry Watson, is 2226 Island Point, Evergreen, Colorado, 80439. Jerry A. Watson is the President of both Prime Travel Protection, Inc., and Traveler Protection and is a principal, officer, director, or shareholder in each of the remaining Respondents.

JURISDICTION

The Insurance Commissioner has jurisdiction over this matter pursuant to the Oklahoma Insurance Code, 36 O. S. §§ 101, et seq., specifically pursuant to: Article 6 Authorization of Insurers 36 O.S. §§ 601, et seq.; Article 12 Unfair Practices and Frauds, 36 O.S. §§ 1201 et seq.; Article 12A-1 Unfair Claims Settlement Practices, 36 O.S. §§ 1250.1 et seq.; and the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1, et seq.

NATURE OF THIS ACTION

Upon receipt of complaints from Oklahoma residents regarding travel insurance they purchased from Respondents, OID began an investigation to determine if Respondents were engaging or attempting to engage in the business of insurance in the State of Oklahoma without authorization. Upon conclusion of that investigation, OID believes and alleges that Jerry A. Watson, by and through the other named respondents, is conducting business as an insurer without a license and engaging in the unauthorized business of insurance in Oklahoma.

ALLEGATIONS OF FACT

In addition to the above summary the OID alleges as follows:

1. None of the respondents holds any kind of license issued by the Oklahoma Insurance Department.
2. Each respondent offers insurance through internet web sites and/or travel agents located in Oklahoma and other states.
3. On August 22, 2007, Oklahoma resident John Adair contacted OID for assistance with his claim against Vacation Protection Services, Inc.
4. Mr. Adair purchased travel insurance from Vacation Protection Services, Inc., but although he was medically unable to travel, Vacation Protection Services, Inc., acting under the name Traveler Protection refused to reimburse him for more than one-half of the cost of the trip.
5. On May 13, 2008, Martha Kimbrough, an Oklahoma resident, contacted OID for assistance with her claim against Travelers Protection.
6. In August, 2007, Mrs. Kimbrough and her husband John had purchased travel

insurance from Traveler Protection through Glenda Carr, an Oklahoma resident insurance producer in connection with a bus trip scheduled for November, 2007.

The Kimbroughs were unable to go on the trip because of Mr. Kimbrough's health.

Although Traveler Protection Services initially denied their claim, the company ultimately assumed liability and paid the claim, on September 24, 2008.

7. On September 9, 2008, OID was contacted on behalf of Mary Louise Brown for assistance with a claim against Prime Travel Protection, Inc.
8. In February, 2008, Oklahoma resident Alexander Clements, Jr. purchased travel insurance from Prime Travel Protection Inc., for the benefit of his sister, Mary Louise Brown, in connection with a cruise. Ms. Brown filed a claim for benefits under the policy because she was unable to travel due to a medical condition. Although her claim was initially denied, after OID contacted Prime Travel Protection, Inc., her claim was paid.
9. On October 8, 2008, Oklahoma resident Brenda Larsen contacted the Oklahoma Attorney General's office for assistance with her claim against Traveler Protection. The Attorney General's Office referred Ms. Larsen's complaint to OID.
10. Ms. Larsen purchased travel insurance from Traveler Protection in November 2007 in connection with a cruise. In March, 2008, she filed a claim for benefits under the policy because she was unable to travel due to a medical condition. Her claim was denied.
11. OID staff member Jason Johnston wrote to Traveler Protection with regard to Ms. Larsen on several occasions. He last wrote to the company on November 25, 2008.

He received no response to his letter.

ALLEGED VIOLATIONS OF LAW

1. Respondents' activities fall within the definition of "doing insurance business in this state:" and is in violation of the Unauthorized Insurance Business Act, 36 O.S. §§ 6103 et seq., specifically, 36 O.S. § 6103.2(C)

2. Respondents' conduct constitutes false information and advertising and is in violation of the Unfair Practices and Frauds Act, 36 O.S. §§ 1201 et seq., specifically 36 O.S. § 1204(2).

3. Respondents' failure to timely pay claims is in violation of the Unfair Claims Settlement Practices Act, 36 O.S. §§ 1250.1 et seq., specifically 36 O.S. § 1250.5(4).

4. Respondent Travel Protection's failure to timely respond to OID's inquiry is in violation of the Unfair Claims Settlement Practices Act, 36 O.S. §§ 1250.1 et seq., specifically 36 O.S. § 1250.4.

5. The alleged conduct is an immediate danger to the public or is causing or can be reasonably expected to cause significant, imminent and irreparable public injury.

RELIEF REQUESTED

The Insurance Commissioner is requested to issue a Cease and Desist Order under authority of 36 O.S. § 6103 et seq. ordering Respondents and their agents, affiliates, employees, and other representatives, both current and successor, whether named or unnamed herein, to cease and desist from all activities related to doing unauthorized insurance business in this state, including:

1. The making of or proposing to make as an insurer an insurance contract;

2. The making of or proposing to make, as guarantor or surety, any contract of guaranty or suretyship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety;

3. The taking or receiving of any application for insurance;

4. Maintaining any agency or office where any acts in furtherance of an insurance business are transacted, including but not limited to:

- a. execution of contracts of insurance with citizens of this or any other state;
- b. maintaining files or records of contracts of insurance;
- c. processing of claims; or,
- d. receiving or collection of any premiums, commissions, membership fees, assessments, dues or other consideration for any insurance or any part thereof.

5. The issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state.

6. Directly or indirectly acting as an agent for, or otherwise representing or aiding on behalf of another, any person or insurer in:

- a. solicitation, negotiation, procurement or effectuation of insurance or renewals thereof;
- b. dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts;
- c. inspection of risks;
- d. fixing of rates or investigation or adjustment of claims or losses;

- e. transaction of matters subsequent to effectuation of the contract and arising out of it; or,
- f. in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state.

7. Contracting to provide indemnification or expense reimbursement in this state to persons domiciled in this state or for risks located in this state, whether as an insurer, agent, administrator, trust, funding mechanism, or by any other method.

8. The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance;

9. The doing or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the statutes; or

10. Any other transactions of business in this state by an insurer.

In addition, the Commissioner is requested, notwithstanding the above requested orders, to order Respondents to pay all unpaid claims and to order any further relief which may be deemed appropriate and which is authorized by law, whether or not specifically requested herein, consistent with 36 O.S. §§ 6103 et seq.

Submitted on this 20th day of February, 2009.



Susan D. Dobbins, OBA # 17337
Assistant General Counsel
Oklahoma Department of Insurance
P.O. Box 53408
2401 N. W. 23rd Street, Suite 28
Oklahoma City, Oklahoma 73152-3408
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

CERTIFICATE OF MAILING

I, Susan D. Dobbins, hereby certify that a true and correct copy of the above and foregoing Application for a Cease and Desist Order was mailed postage prepaid with return receipt requested on this 20th day of February 2009 to:

Prime Travel Protection, Inc.
Christine Watson
2226 Island Point
Evergreen, CO 80439

Universal Assurance Group, Ltd.
d/b/a Traveler Protection Services, Inc.
Christine Watson
2226 Island Point
Evergreen, CO 80439

Vacation Protection Services, Inc.
7450 West 52nd Avenue, Suite 336-M
Arvada, Colorado, 80002

J&C Enterprises
Jerry A. Watson
2132 Cramner Court
Evergreen, Colorado, 80439

Protection Partners, Inc.
Jerry A. Watson
2132 Cramner Court
Evergreen, Colorado, 80439

Superior Travel Protection, Inc.
Jerry A. Watson
2226 Island Point
Evergreen, Colorado, 80439

Jerry A. Watson
2226 Island Point
Evergreen, Colorado 80439

and a copy was hand-delivered to:

OID Financial Division
OID Property & Casualty
OID Investigations/Anti-Fraud


Susan D. Dobbins