BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
AUG 17 2011
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,	)	
Petitioner,	)	
v.	)	**Case No. 11-0137-DIS**
AMANDA JEAN BURGESS, a licensed insurance producer and BURGESS INSURANCE AGENCY LLC, a licensed insurance agency,	)	
Respondents.	)	

FINAL ADMINISTRATIVE ORDER

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through his attorney, Julie Meaders, and alleges and states as follows:

JURISDICTION

1. John D. Doak 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 et seq.

2. Amanda Jean Burgess is a licensed resident insurance producer holding license 202714. Her address of record with the Oklahoma Insurance Department is 801 W. Main Street, Stigler, Oklahoma 74462.

3. Burgess Insurance Agency, LLC is a licensed resident insurance agency holding license 10008964. Its address of record with the Oklahoma Insurance Department is 801 W. Main Street, Stigler, Oklahoma 74462. The owner and designated

responsible licensed producer for Burgess Insurance Agency, LLC is Amanda Jean Burgess.

4. 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 and/or may levy a fine up to $1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

5. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

FINDINGS OF FACT

1. The Oklahoma Insurance Department (the "Department") received a complaint on August 24, 2010 from Debra C. Watson. Watson had purchased automobile insurance from Respondent Amanda Burgess (the "Respondent") and paid a $207.00 premium on July 2, 2010. Burgess issued a receipt to Watson presenting Equity Insurance Company as Watson's auto insurer. Watson never had automobile insurance coverage with Equity because Burgess was no longer an appointed agent for Equity. Equity had previously cancelled Burgess' appointment on March 10, 2010 for financial irresponsibility.

2. Thereafter, on July 6, 2010, Burgess created a fabricated security verification form and letter authenticating that Valley Insurance Company was the insurer of Watson's automobiles. Burgess never submitted an application or premium to Valley on behalf of Watson. Watson never had any insurance coverage with Valley on her automobile. Valley

Insurance terminated Burgess' appointment on September 22, 2010 for financial irresponsibility.

3. Watson discovered that she did not have insurance because her daughter, Crystal Cole, telephoned her stating that the finance company financing Cole's automobile was repossessing the auto for lack of insurance for the past six months. Watson and Cole complained to the Department that their insurance rates were now higher due to the gap in their insurance coverage caused by Burgess.

4. The Department received a complaint on August 26, 2010 from Mary Huling. Huling stated that she purchased automobile insurance from the Burgess Agency because she was taking a trip. Chris Burgess, Amanda Burgess' husband, was the only person working in the agency at the time. Chris Burgess completed an insurance application and issued a fabricated security verification form to Huling indicating she was insured with Hallmark Insurance Company. Chris Burgess was not a licensed insurance agent when he sold, solicited and negotiated insurance on Huling's behalf.

5. Amanda Burgess and the Burgess Insurance Agency were not appointed agents with Hallmark Insurance Company. The premium Huling paid was never forwarded to Hallmark Insurance Company and Huling never had automobile insurance coverage.

6. The Department received a complaint on January 25, 2011 from National Security Group Vice-President, Tim Wilson. Mr. Wilson informed the Department that his company had terminated the appointment of Amanda Burgess and the Burgess Insurance Agency in October 2010 due to financial irresponsibility.

7. Mr. Wilson also informed the Department that insured Lionel Harry Chartrand provided copies of his bank statement to the insurer showing two payments made

to the Burgess Insurance Agency. The first payment was on August 2, 2010 in the amount of $409.00 and the second payment was on September 10, 2010 in the amount of $519.00. Both payments were check card payments submitted under Don's Motel, Stigler, Oklahoma.

8. These payments were never forwarded to National Security and the Chartrand policy cancelled November 16, 2010 for non-payment of premium. National Security reinstated the Chartrand policy and charged the premium payment to the Burgess account. On January 11, 2011, National Security faxed a letter to Amanda Burgess advising of the Chartrand situation and requesting the premium due for the Chartrand policy and the entire past due account balance owed to the insurer by Burgess totaling $3,450.38. Burgess failed to respond.

9. National Security confirmed that the Burgess Insurance Agency operates from an office located in front of Don's Motel in Stigler, Oklahoma. Don's Motel is owned by Chris and Amanda Burgess.

10. Investigation by the Department revealed that in addition to Equity and National Security terminating Burgess' appointments for financial irresponsibility, the following insurers had also terminated Burgess' appointments and were owed respectively: Progressive Northern Insurance Company; $ 26,597.33, Cornerstone National Insurance Company; $ 5,533.00 and Unitrin Specialty (the holding company for Valley Insurance Company and Charter Indemnity Insurance Company); $7,962.00.

CONCLUSIONS OF LAW

1. Respondents violated 36 O.S. § 1435.13(A)(4) by improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.

2. Respondents violated 36 O.S. § 1435.13(A)(2) by violating 36 O.S. § 1435.13(a)(C) in commingling premiums belonging to insurers with other funds unconnected to the licensee's insurance business.

3. Respondents violated 36 O.S. § 1435.13(A)(2) by violating 36 O.S. § 1435.15(A) in acting as an agent for an insurer without becoming an appointed agent of that insurer.

4. Respondents violated 36 O.S. § 1435.13(A)(8) by demonstrating incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state.

5. Respondents violated 36 O.S. § 1435.13(A)(12) by knowingly accepting insurance business from an individual who is not licensed.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Administrative Order of Suspension Instanter** entered in this matter on July 15, 2011 is a **FINAL ADMINISTRATIVE ORDER, that** no hearing was requested and Respondents' licenses are hereby **REVOKED.**

WITNESS My Hand and Official Seal this 17th day of August, 2011.

PAUL WILKENING
DEPUTY INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail with postage prepaid and return receipt requested on this 17th day of August, 2011, to:

Amanda Burgess
Burgess Insurance Agency LLC
801 W. Main Street
Stigler, OK 74462-2427

CERTIFIED MAIL NO: 7008 1830 0003 9411 8153

and that notification was sent to:

All appointing insurers

and

NAIC/RIRS

and that a copy was delivered to:

Leah Scoles
Licensing Division

and

Rick Wagnon/Jimmy Smith
Investigations Division

Julie Meaders

Julie Meaders

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Burgess Insurance Agency U.C
801 W Main Street
Stigler, OK 74462-2427

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Form 3800 August 2006

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1. Article Addressed to:

Amanda Burgess
Burgess Insurance Agency LLC
801 W Main Street
Stigler, OK 74462-2427

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O Agent
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Insurance Commissioner
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