BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
JUN 18 2012
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,	)	
Petitioner,	)	
v.	)	**Case No. 12-0552-DIS**
BUNKER HILL UNDERWRITERS AGENCY, INC., a nonresident producer agency,	)	
Respondent.	)	

CONDITIONAL ADMINISTRATIVE ORDER AND NOTICE OF RIGHT TO BE HEARD

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. Respondent Bunker Hill Underwriters Agency, Inc. is a licensed nonresident agency and surplus lines broker holding license 100102135. Its address of record is 800 Gessner Road, Suite 600, Houston, Texas 77024-4538.

3. 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).

ALLEGATIONS OF FACT

1. Respondent is a nonresident producer agency and surplus lines broker issued Oklahoma license 100102135. Respondent applied for renewal of its license effective September 1, 2012.

2. The question, "Since the last renewal has the business entity or any owner, partner, officer or director ever been involved in an administrative proceeding regarding any professional or occupational license" was checked "no" on Respondent's renewal application and no documents were submitted with the application.

3. A background check showed that Respondent entered into a Consent Order with the Texas Commissioner of Insurance and was fined $2,000.00 on April 12, 2012 for failing to file annual purchasing group activity reports in compliance with Tex. Ins. Code Ann.§ 2201.007 and 28 Tex. Admin. Code § 13.313(b)(6). (Exhibit "A").

ALLEGED VIOLATIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(1); providing incorrect, misleading, incomplete or materially untrue information in the license application.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Bunker Hill Underwriters Agency, Inc. is fined **Two Hundred and Fifty Dollars ($250.00)** for failing to disclose the Texas administrative action. The $250.00 fine is to be paid immediately, made payable to the Oklahoma Insurance Department, within thirty days following the mailing date of this Order

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 this Order. A request for hearing should be in writing addressed to Julie Meaders, Oklahoma Insurance Department, Legal Division 3625 NW 56th Street, Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. § 250-323. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as 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 18th day of June, 2012.

JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Julie Meaders

Julie Meaders
Assistant General Counsel
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112

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Bunker Hill Underwritters Agency, Inc.
800 Gessner Road, Suite 600
Houston, TX 77024-4538

12-0552-DIS/JAM(mt)Con.Adm.Ord.

PS Form 3800, August 2006 — See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bunker Hill Underwritters Agency, Inc.
800 Gessner Road, Suite 600
Houston, TX 77024-4538

12-0552-DIS/JAM(mt)Con.Adm.Ord.

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* A. BUOLL

C. Date of Delivery 6-25

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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OKLAHOMA INSURANCE DEPARTMENT
JUL 09 2012
Legal Division

3. Service Type
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☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7006 2760 0005 6606 3978

PS Form 3811, February 2004 — Domestic Return Receipt — 102595-02-M-1540

CERTIFICATE OF MAILING

I, Julie Meaders, 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 certified mail with postage prepaid and return receipt requested on this 18th day of June, 2012 to:

Bunker Hill Underwriters Agency, Inc.
800 Gessner Road, Suite 600
Houston, TX 77024-4538

CERTIFIED MAIL NO: 7006 2760 0005 6606 3978

and that notification was sent to:

NAIC/RIRS

and that a copy was delivered to:

Licensing Division

Julie Meaders

Julie Meaders

No. 12-0323

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: APR 1 2 2012

Subject Considered:

Bunker Hill Underwriters Agency, Inc.
800 Gessner, Suite 600
Houston, TX 77024

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 59492

General remarks and official action taken:

The Commissioner of Insurance considers whether Bunker Hill Underwriters Agency, Inc. (Bunker Hill) of Houston, Texas, failed to timely file annual purchasing group activity reports.

FINDINGS OF FACT

The Commissioner makes the following findings of fact:

1. Bunker Hill holds a General Property and Casualty License, a Managing General Agency License, and a Surplus Lines License issued by the Texas Department of Insurance (TDI).

2. Pursuant to TEX. INS. CODE ANN. § 2201.007 and 28 TEX. ADMIN. CODE § 13.313(b)(6), an agent who aids in the solicitation, negotiation, or placement of insurance on behalf of a purchasing group must file an annual purchasing group activity report with TDI. The agent must report the activities and scope of services provided to the purchasing group. The agent must file the report by March 1 of the year following the activities and services.

3. Since 2004, Bunker Hill has helped solicit, negotiate, and place insurance for Great ★ Market Risk Purchasing Group, Inc. (Market) and Great ★ Care Risk Purchasing Group, Inc. (Care). Market and Care were both registered purchasing groups operating in Texas.

4. Bunker Hill filed its annual purchasing group activity reports for Market late in 2008 and 2009. Bunker Hill filed its 2008 report on April 20, 2009, and its 2009 report on February 28, 2012.

PETITIONER'S EXHIBIT "A"

5. Bunker Hill filed its annual purchasing group activity reports for Care late in 2008 and 2009. Bunker Hill filed its 2008 report on April 20, 2009, and its 2009 report on February 28, 2012.

6. Bunker Hill also filed annual purchasing group activity reports late on one other occasion. TDI warned Bunker Hill that it might be disciplined if it filed late again.

7. Bunker Hill agrees that this Order resolves all annual purchasing group activity reports that it filed late before March 1, 2012.

8. Bunker Hill agrees to implement internal policies, procedures, and other safeguards designed to ensure that it timely files future annual purchasing group activity reports in compliance with TEX. INS. CODE ANN. § 2201.007 and 28 TEX. ADMIN. CODE § 13.313(b)(6).

CONCLUSIONS OF LAW

The Commissioner of Insurance makes the following conclusions of law:

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§ 82.051-82.055, 2201.004, 2201.006, 4001.002, 4005.101, 4005.102, and 4051.001-4051.054 and TEX. GOV'T CODE ANN. §§ 2001.051-2001.178.

2. The Commissioner of Insurance has authority to informally dispose of this matter under TEX. INS. CODE ANN. § 82.055, TEX. GOV'T CODE ANN. § 2001.056, and 28 TEX. ADMIN. CODE § 1.47.

3. Bunker Hill failed to file annual purchasing group activity reports in compliance with TEX. INS. CODE ANN. § 2201.007 and 28 TEX. ADMIN. CODE § 13.313(b)(6).

ORDER

Bunker Hill Underwriters Agency, Inc. is ORDERED to pay an administrative penalty of $2,000 within 30 days from the date of this Order.

The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 1111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.

Eleanor Kitzman

ELEANOR KITZMAN
COMMISSIONER OF INSURANCE

FOR THE STAFF:

Erin Dinsmore

Erin Dinsmore, Staff Attorney

AFFIDAVIT

STATE OF Texas §
§
COUNTY OF Harris §

Before me, the undersigned authority, personally appeared L. Byron Way, who being by me duly sworn, deposed as follows:

"My name is L. Byron Way. I am of sound mind, capable of making this statement, and I have personal knowledge of these facts which are true and correct.

I am voluntarily entering into this Consent Order. I consent to the issuance and service of this Consent Order.

I waive my rights provided by the Texas Insurance Code and other applicable law, and I acknowledge the jurisdiction of the Commissioner."

L. Way

Affiant

SWORN TO AND SUBSCRIBED before me on 19th March, 2012.

(NOTARY SEAL)

TIFFINI A. FALKENHAINER
MY COMMISSION EXPIRES
February 3, 2013

Signature of Notary Public