BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
NOV 24 2014
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN DOAK, INSURANCE COMMISSIONER,	)	
Petitioner,	)	
v.	)	**Case No. 14-0559-DIS**
CSAA FIRE & CASUALTY INSURANCE COMPANY, d/b/a AAA FIRE & CASUALTY COMPANY,	)	
Respondent.	)	

CONDITIONAL ADMINISTRATIVE ORDER AND NOTICE OF RIGHT TO BE HEARD

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

JURISDICTION

1. John Doak 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.

2. Respondent is a foreign property and casualty insurance company domiciled in the State of Indiana holding NAIC CoCode 10921. Its statutory address is c/o OFFICESCAPE 10401 N. Meridian Street, Suite 300, Indianapolis, IN 46290

ALLEGATIONS OF FACT

1. Jason Hayes complained to the Department regarding his homeowners' claim with AAA Fire & Casualty's ("AAA"). Hayes complained that he was unhappy with AAA adjustment of his homeowner's claim. The Department notified AAA of the complaint and ordered it to respond within twenty (20) days as required by 36 O.S. § 1250.4(B). AAA responded to the Department's

order by letter dated September 13, 2013 through Sonya P. Clark, Regional Claims Manager.

2. The Oklahoma Insurance Department ("Department") also received a complaint on March 13, 2014 from Sara Keesee. Ms. Keesee complained that she was unhappy with AAA's adjustment of her homeowner's claim. The Department notified AAA of the complaint and ordered it to respond within twenty (20) days as required by 36 O.S. § 1250.4(B). AAA responded to the Department's order by letter dated March 28, 2014 through Sonya P. Clark, Regional Claims Manager.

3. A routine review of the Department's records did not show Lane King, an AAA adjuster who was involved in both claims, licensed by the State of Oklahoma. The Department requested that AAA provide an adjuster license number or the number of claims King had worked in Oklahoma. AAA replied on February 21st, 2014 with a five page list of claim numbers totaling 186 claims that Lane King adjusted in Oklahoma. (Exhibit "A").

4. King did not possess a license to adjust insurance claims in the State of Oklahoma at any time during the 186 occurrences of adjusted claims on behalf of AAA . AAA failed to ascertain whether King was licensed by the State of Oklahoma as an insurance adjuster prior to adjusting claims on Respondent's behalf. King became licensed as an adjuster in Oklahoma on July 25, 2014.

5. Markus Kania complained to the Department regarding his homeowners' claim with ("AAA"). Hayes complained that he was unhappy with AAA's adjustment of his homeowner's claim. The Department notified AAA of the complaint and ordered it to respond within twenty (20) days as required by 36 O.S. § 1250.4(B). AAA responded to the Department's order by letter dated November 7, 2013 through Sonya P. Clark, Regional Claims Manager.

6. A routine review of the Department's records did not show Christi Lowe, an AAA adjuster involved in Kania's claim licensed by the State of Oklahoma. The Department requested

that AAA provide an adjuster license number or the number of claims Lowe had worked in Oklahoma. AAA replied on March 20, 2014 with a two page list of claim numbers totaling 41 claims that Christi Lowe adjusted in Oklahoma. (Exhibit "B").

7. Lowe did not possess a license to adjust insurance claims in the State of Oklahoma at any time during the occurrences of adjusted claims on behalf of AAA . AAA failed to ascertain whether Lowe was licensed by the State of Oklahoma as an insurance adjuster prior to adjusting claims on Respondent's behalf.

ALLEGED VIOLATIONS OF LAW

Such conduct by Respondent as alleged above is in violation of 36 O.S. § 6216(C), failing to ascertain whether its adjuster was licensed prior to referring any claim of loss to its adjuster, and 36 O.S. § 619 which provides for a civil penalty of not more than $5,000.00 for each occurrence in violation.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. §§ 6216(C) and 619 and therefore **Respondent is FINED in the amount of TWO THOUSAND FIVE HUNDRED and NO/100 DOLLARS ($2,500.00) payable within thirty (30) days of the date of mailing.**

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 hearing, if

desired, shall be made in writing addressed to Julie Meaders Oklahoma Insurance Department, Legal Division, 3625 NW 56th Street, Suite 100, Oklahoma City, Oklahoma 73112 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 et seq.

WITNESS My Hand and Official Seal this 24th day of November, 2014.

JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Julie Meaders

Julie Meaders
Deputy General Counsel

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 via certified mail with postage prepaid and return receipt requested on this 24th day of November, to:

CSAA Fire & Casualty Insurance Company
c/o OFFICESCAPE 10401 N. Meridian Street
Suite 300
Indianapolis, IN 46290

Certified Mail No.
7014 0150 0001 9588 9516

CERTIFIED MAIL NO.

and that a copy was delivered to:

Financial Division

Consumer Assistance/Claims Division

Julie Meaders

Julie Meaders

7014 0150 0001 9588 9516

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CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

USPS 73118-9998 OKLAHOMA CITY, OK NOV 24 2014

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

CSAA Fire & Casualty Insurance Company
c/o OFFICESCAPE
10401 N. Meridian St., Suite 300
Indianapolis, IN 46290
rlg/14-0559-DIS/Cond. Adm. Ord.

PS Form 3800, August 2006

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:

CSAA Fire & Casualty Insurance Company
c/o OFFICESCAPE
10401 N. Meridian St., Suite 300
Indianapolis, IN 46290
rlg/14-0559-DIS/Cond. Adm. Ord.

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x Yeadon ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) EMILY Yeadon
C. Date of Delivery 12/1/14

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

OKLAHOMA INSURANCE DEPARTMENT
DEC 04 2014
LEGAL DIVISION

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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

2. Article Number (*Transfer from service label*) 7014 0150 0001 9588 9516

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

DATE: February 21, 2014

TO: April Morris – Oklahoma Insurance Department

RE: [redacted]

Pages: 5

The following are claim numbers adjusted by Lane King.

[redacted]

PETITIONER'S EXHIBIT "A"

DATE: March 20, 2014

TO: April Morris – Oklahoma Insurance Department

RE [redacted]

Pages: 2

The following are claim numbers adjusted by Christi Lowe.

[redacted]	6/5/2013
	6/5/2013
	6/5/2013
	6/5/2013
	6/6/2013
	6/6/2013
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	6/6/2013
	6/7/2013
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	6/10/2013
	6/10/2013
	6/11/2013

PETITIONER'S EXHIBIT "B"

[redacted]

6/11/2013
6/11/2013
6/12/2013
6/12/2013
6/13/2013
6/13/2013
6/13/2013
6/14/2013
6/14/2013
6/14/2013
6/14/2013
6/18/2013
6/19/2013
6/19/2013