

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
MAY 09 2017
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
vs.)
)
NETWORK ADJUSTERS, INC.,)
An applicant for a business entity non-resident)
insurance producer license,)
)
Respondent.)

CASE NO. 17-0316-DEN

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, Lisa M. Torneten, and alleges and states as follows:

JURISDICTION AND AUTHORITY

1. John D. 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.*, including the Oklahoma Producer Licensing Act, *36 O.S. §§ 1435.1 through 1435.41*.

2. Network Adjusters, Inc. (“Respondent”) is a non-resident business entity insurance producer holding license number 0000006798. Respondent’s mailing address of record is 850 Fulton Street Farmingdale, New York 11735.

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 pursuant to *36 O.S. §§ 1435.13(A) and (D)*.

ALLEGATIONS OF FACTS

1. Respondent applied for a nonresident business entity insurance producer license on or about April 24, 2017 with the Oklahoma Insurance Department (the "Department").

2. On the application form, the second question asks the following: "Has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, ever been named or involved as a party in an administrative proceeding, including a Financial Industry Regulatory Authority ("FINRA") sanction or arbitration proceeding regarding any professional or occupational license, or registration?" Respondent answered "no" to this question.

3. The application form defines being "involved" in an administrative proceeding as the following: "having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action. 'Involved' also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license or registration." 'Involved' also means having a license, or registration application denied or the act of withdrawing an application to avoid a denial." Applicants may only exclude "terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee."

4. A background check conducted by the Department Licensing Division showed that Respondent had the following administrative actions listed on its record: an administrative action by the Connecticut Department of Insurance for employing an unlicensed claims adjuster. Respondent entered into a Consent Order and was fined Two Thousand and No/100 Dollars (\$2,000.00). The Utah Insurance Department commenced an administrative action against

Respondent for failing to meet several state statutory licensing requirements. Respondent agreed to an administrative forfeiture in the amount of Four Thousand and No/100 Dollars (\$4,000.00). Accordingly, Respondent did not properly disclose the aforementioned administrative action in the license application.

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, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that Respondent is hereby **CENSURED** and **FINED TWO HUNDRED DOLLARS (\$200.00)** for **EACH** violation of *36 O.S. § 1435.4(A)*. The **\$400.00 fine is to be paid within thirty (30) days** of this Conditional Administrative Order and made payable to the Oklahoma Insurance Department. License will be issued upon payment of the fine.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days 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 mailing of this Order. A request for hearing shall be in writing addressed to Lisa M. Torneten, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. Additionally, the request for hearing shall state the grounds for the request to set aside or modify the Order. The request shall be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on 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 323. If 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 9th day of May, 2017.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Lisa M. Torneten
Oklahoma Insurance Department
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112
(405) 522-6330
(405) 522-1250 Fax

CERTIFICATE OF MAILING

I, Lisa M. Torneten, 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 9th day of May, 2017, to the following:

Network Adjusters, Inc.
850 Fulton Street
Farmingdale, NY 11735

CERTIFIED MAIL NO. 7016 2140 0000 3510 5740

and a copy was delivered to:

Lorie Jones
Licensing Division



Lisa M. Torneten
Assistant General Counsel