

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

FILED

APR 26 2023

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN )  
MULREADY, Insurance Commissioner, )

Petitioner, )

v. )

Case No. 23-0192-DIS

STATE FARM FIRE AND CASUALTY COMPANY, )  
a foreign insurance company, )

Respondent. )

CONDITIONAL ADMINISTRATIVE ORDER  
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner,  
by and through counsel, Antuanya “Bo” DeBose, and alleges and states as follows:

JURISDICTION

1. Glen Mulready 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. §§ 101-7401, including the Unfair Claims Settlement Practices Act, 36 O.S. §1250.1 et seq..
2. State Farm Fire and Casualty Company (“Respondent”), is a foreign insurance company, holding NAIC Cocode 25143, authorized to write property and casualty insurance in the State of Oklahoma. Respondent’s address of record is 1 State Farm PLZ, Bloomington, IL 61710-0001.
3. If Respondent requests a hearing in writing pursuant to OAC 365:1-7-1, the Insurance Commissioner, pursuant to 36 O.S. § 319, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing requested by Respondent.

## FINDINGS OF FACT

1. On or about January 11, 2023, the Oklahoma Insurance Department's Consumer Assistance Division ("OID") received a complaint from Freddie Ingram.
2. On or about January 12, 2023, the OID emailed a letter to Respondent and requested a response within twenty (20) days of receipt. The OID file number for this request is #114507.
3. On February 9, 2023, Respondent emailed a response to OID. In the response, Respondent concedes that it did not resolve this claim/coverage investigation, or notify Freddie Ingram of the statute of limitation that applies in this case.
4. Freddie Ingram filed a claim for the theft of his 2001 Saturn vehicle on February 17, 2010. Freddie Ingram submitted that the theft occurred while he was deployed overseas. Respondent did not accept Freddie Ingram's claim or offer settlement of the claim until February 8, 2023.
5. Pursuant to 36 O.S. §1250.7(A), "Within sixty (60) days after receipt by a property and casualty insurer of properly executed proofs of loss, the first party claimant shall be advised of the acceptance or denial of the claim by the insurer, or if further investigation is necessary. No property and casualty insurer shall deny a claim because of a specific policy provision, condition, or exclusion unless reference to such provision, condition, or exclusion is included in the denial. A denial shall be given to any claimant in writing, and the claim file of the property and casualty insurer shall contain a copy of the denial. If there is a reasonable basis supported by specific information available for review by the Commissioner that the first party claimant has fraudulently caused or contributed to the loss, a property and casualty insurer shall be relieved from the requirements of this subsection. In the event of a weather-related catastrophe or a major natural disaster, as declared by the Governor, the Insurance Commissioner may extend the deadline imposed under this subsection an additional twenty (20) days."

6. Pursuant to 36 O.S. §1250.7(C), “Every property and casualty insurer shall complete investigation of a claim within sixty (60) days after notification of proof of loss unless such investigation cannot reasonably be completed within such time. If such investigation cannot be completed, or if a property and casualty insurer needs more time to determine whether a claim should be accepted or denied, it shall so notify the claimant within sixty (60) days after receipt of the proofs of loss, giving reasons why more time is needed. If the investigation remains incomplete, a property and casualty insurer shall, within sixty (60) days from the date of the initial notification, send to such claimant a letter setting forth the reasons additional time is needed for investigation. Except for an investigation of possible fraud or arson which is supported by specific information giving a reasonable basis for the investigation, the time for investigation shall not exceed one hundred twenty (120) days after receipt of proof of loss. Provided, in the event of a weather-related catastrophe or a major natural disaster, as declared by the Governor, the Insurance Commissioner may extend this deadline for investigation an additional twenty (20) days.”

7. Pursuant to 36 O.S. §1250.7(E), “Insurers shall not continue or delay negotiations for settlement of a claim directly with a claimant who is neither an attorney nor represented by an attorney, for a length of time which causes the claimant's rights to be affected by a statute of limitations, or a policy or contract time limit, without giving the claimant written notice that the time limit is expiring and may affect the claimant's rights. Such notice shall be given to first party claimants and third party claimants one year after the date of the loss.”

8. Pursuant to 36 O.S. §1250.14, “For any violation of the Unfair Claims Settlement Practices Act, the Insurance Commissioner may, after notice and hearing, subject an insurer to a civil penalty of not less than One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00) for each occurrence...”



### CONCLUSIONS OF LAW

1. Respondent has violated 36 O.S. §1250.7(A) by failing to notify Freddie Ingram of the acceptance or denial of the claim by the insurer, or if further investigation is necessary, within sixty (60) days after receipt of the proof of loss.
2. Respondent has violated 36 O.S. §1250.7(C) by failing to complete its investigations into Freddie Ingram's claim within sixty (60) days after notification of the proof of loss.
3. Respondent has violated 36 O.S. §1250.7(E) by continuing negotiations for settlement of Freddie Ingram's claim for a length of time which caused his rights to be affected by a statute of limitations, or a policy or contract time limit, without giving Freddie Ingram written notice that the time limit is expiring.

### ORDER

**IT IS THEREFORE ORDERED** by the Insurance Commissioner that Respondent is **FINED** in the amount of **Five Hundred Dollars (\$500.00)**. The fine shall be submitted to the Oklahoma Insurance Department within thirty (30) days of the date of this Conditional Administrative Order and shall be made payable to the Oklahoma Insurance Department and sent to the Oklahoma Insurance Department located at 400 NE 50<sup>th</sup> Street, Oklahoma City, Oklahoma 73105. Failure to comply with a proper order of the Commissioner will result in further administrative action.

**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 Findings of Fact set forth above within thirty (30) days of the date of this Conditional Order, the penalties set forth above will become a Final Order on the 31st day following the date of mailing this Order. A request for hearing should be in writing and addressed to Antuanya "Bo"

DeBose, Oklahoma Insurance Department, Legal Division, 400 NE 50<sup>th</sup> Street, Oklahoma City, Oklahoma 73105. The request for hearing must state the grounds for the request to set aside or modify the Order and must 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 324. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order will act as a notice of the matters to be reviewed at the hearing and the Findings of Fact, Conclusions 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 26<sup>th</sup> day of April 2023.



GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

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**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing *Conditional Order* was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this 26<sup>th</sup> day of April, 2023, to:

State Farm Fire and Casualty Company  
Attn: Amy Smith-Schmeder  
1 State Farm PLZ  
Bloomington, IL 61710-0001  
[Amy.smith-schmeder.h7bs@statefarm.com](mailto:Amy.smith-schmeder.h7bs@statefarm.com)  
[Nicholas.umbdenstock.e83m@statefarm.com](mailto:Nicholas.umbdenstock.e83m@statefarm.com)

CERTIFIED MAIL NO:  
9214 8902 0982 7500 0536 53

and a copy was delivered to:

Consumer Assistance Division



Antuanya "Bo" DeBose  
Assistant General Counsel