STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Petitioner

Enforcement Case No. 15-12483
Agency Case No. 15-1034-L

v

Insurance Associates Agency Inc.
System ID No. 0007075

Respondent

_____/

Issued and entered
on October 9 **, 2015**
by Randall S. Gregg
Deputy Director

FINAL DECISION

I. Background

Respondent Insurance Associates Agency Inc. (System ID No. 0007075) (Respondent) is a licensed business entity insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to register an individual licensed producer who would serve as the Designated Responsible Licensed Producer (DRLP) for the agency. After investigation and verification of the information, on February 11, 2015, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) informing Respondent that it was in violation of Section 1205(2)(b) of the Michigan Insurance Code (Code), MCL 1205(2)(b), and that failure to designate a new DRLP or to show continuous compliance with the DRLP requirement would result in further compliance action, including revocation of the agency license. Respondent failed to reply to the NOSC.

On April 2, 2015, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address it is required to maintain with DIFS. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to and sign a settlement with DIFS, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to take any of these actions.

On May 1, 2015, DIFS Staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. The Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. Statement of Factual Allegations

1. Pursuant to Executive Order 2013-1 the Director has assumed the statutory authority and responsibility, granted to the Commissioner by the Code, to exercise general supervision and control over persons transacting the business of insurance in Michigan.

2. At all relevant times, Insurance Associates Agency Inc. (System ID No. 0007075) (Respondent) was a licensed business entity insurance producer.

3. As a prerequisite to licensure, every business entity agency must register with DIFS an individual licensed producer who will serve as the Designated Responsible Licensed Producer (DRLP) for the agency. MCL 500.1205(b). The purpose of a DRLP is to ensure that each agency has a knowledgeable person designated as responsible for agency compliance with statutory and administrative requirements. Such a designation is an indication of both compliance and trustworthiness. Without a knowledgeable person designated as responsible for compliance under the Code, the trustworthiness of the agency is in question.

4. DIFS records do not reflect that the Respondent has a valid DRLP registered with DIFS.

5. On or about February 11, 2015, the DIFS Office of Licensing and Market Conduct sent a Notice of Opportunity to Show Compliance (NOSC) to Respondent's address of record on file with DIFS and addressed to its owner/officer of record.

6. Respondent was given 14 days to respond to the NOSC. A review of DIFS' records indicates that Respondent did not respond.

7. Respondent knew or should have known that as a business entity licensee, Respondent was required to designate an individual licensed producer responsible for its compliance with this state's insurance laws, rules, and regulations. Respondent could not be licensed without such showing.

8. Respondent's failure to maintain an individual licensed producer responsible for compliance with this state's insurance laws, rules, and regulations indicates that Respondent no longer maintains the requirements for licensure and renders Respondent untrustworthy and no longer entitled to public confidence.

9. Respondent has provided justification for revocation of licensure. DIFS Staff has made reasonable efforts to serve

10. Respondent and has complied with MCL 500.1238. Respondent has received notice and has been given an opportunity to respond and appear, yet has not responded nor appeared.

11. Respondent is in default and Petitioner is entitled to have all allegations accepted as true.

III. Order

Based upon the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent shall cease and desist from violating the Code.

2. Respondent shall immediately cease and desist from engaging in the business of insurance.

3. Pursuant to MCL 500.249, MCL 500.1239(1)(b) and (h), and MCL 500.1244(1)(d), Respondent's insurance producer license (System ID No. 0007075) is **REVOKED.**

Patrick M. McPharlin, Director
For the Director:

Randall S. Gregg, Deputy Director