

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Keith James Koerber II
System ID 0662078

Enforcement Case No. 16-14510

Respondent.

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Issued and entered
on July 22, 2016
by Teri L. Morante
Chief Deputy Director

**ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS
AND NOTICE OF OPPORTUNITY FOR HEARING**

Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

WHEREAS, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

IT IS THEREFORE ORDERED THAT:

1. Respondent shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.
2. A copy of this Order shall be immediately served upon Respondent. As to any Respondent, this Order shall be effective upon the date of service.
3. Respondent will have 30 calendar days after the service of this Order to contest it by requesting a hearing. Within 10 calendar days after receiving the request, the hearing process shall commence. This Order shall remain in effect until further order of the Director. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Tracy Janousek, Hearings Clerk, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8843.

4. Any such hearing held shall address the following issues:
 - a. The facts set forth in the Statement of Findings.
 - b. The continuation of the Order to Cease and Desist.
 - c. Restitution to be paid by the Respondent.
5. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System shall preside over any such hearing.
6. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.
7. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:
 - a. Payment of a civil fine of not more than \$1,000 for each violation not to exceed an aggregate civil fine of \$30,000. However, if the person knew or reasonably should have known the conduct was in violation of the cease and desist order, the person shall be subject to a civil fine of not more than \$25,000 for each violation not to exceed an aggregate civil fine of \$250,000.
 - b. Suspension or revocation of the person's license or certificate of authority.
 - c. Complete restitution, in the form, amount, and within the period determined by the Director, to all persons in Michigan damaged by the violation or failure to comply.


Teri L. Morante
Chief Deputy Director

Dated: July 22, 2016

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STATEMENT OF FINDINGS

1. Pursuant to Executive Order 2013-1 all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation have been transferred to the Director of the Department of Insurance and Financial Services (DIFS).
2. Pursuant to Section 251(1) of the Code, MCL 500.251(1), the Director is empowered to issue a cease and desist order if the Director finds any of the following:
 - (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
 - (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
 - (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.
 - (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare. MCL 500.251(1).
3. MCL 500.1222 states that “[a] person shall not adjust loss or damage under a policy of insurance or advertise, solicit business, or hold himself or herself out to the public as an adjuster unless he or she is licensed as an adjuster.”
4. MCL 500.1224(4) further provides that the Director “shall not issue a license to act as an adjuster to a person who is employed by, owns stock in, is an officer or director of, or in any other manner is connected with, a fire repair contractor.”

5. DIFS Staff received information about possible unlicensed activity by the Respondent. A review of DIFS' records revealed that Respondent is not licensed under the Code.
6. After an investigation, DIFS Staff concluded that Respondent has engaged in activities regulated by the Code, without the requisite license, and has violated the insurance laws of this state.
7. Specifically, DIFS Staff found the following events occurred:
 - As of July 14, 2011, Respondent incorporated Koerber Construction & Contracting LLC, which is a Michigan limited liability company that does construction and repair work. Respondent is a licensed builder, as well as the owner and resident agent of Koerber Construction & Contracting LLC;
 - In 2013, Respondent applied for a license to be a public adjuster, but he never passed the examination and he failed to disclose a possible misdemeanor conviction out of Macomb County;
 - To date, Respondent has never been licensed to be a public adjuster in the state of Michigan;
 - On April 27, 2016, Respondent sent an email to Lily Rozewski, a staff adjuster with The Auto Club Group. In the signature line of his email, Respondent indicated and represented that he was a "Licensed Builder & Public Adjuster";
 - On June 1, 2016, DIFS received a complaint from C [REDACTED] S [REDACTED], an investigator at The Auto Club Group; and
 - Ms. S [REDACTED] indicated that she spoke to Respondent and requested a copy of Respondent's public adjuster license or license number, but Respondent refused to provide it.
8. By identifying and representing himself as a public adjuster in the signature line of his email, Respondent is acting as a public adjuster without a license and he violated MCL 500.1222(1).
9. Based on the aforementioned findings, Respondent is engaged in an act or practice in the business of insurance for which authority from or notification to the Director is required by the Code, and the Respondent has not received authority.