

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

Enforcement Case No. 12-11626

Agency No. 13-006-L

Petitioner,

v

Robert M. Thomas

System ID No. 0080147

Respondent.

Issued and entered
on May 10, 2013
by Randall S. Gregg
Deputy Director

FINAL DECISION

I. Background

Robert M. Thomas (Respondent) is a licensed insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent forged another's name to an application for insurance and requested that a client lie to insurance investigators. After investigation and verification of the information, on October 25, 2012, DIFS issued a Notice of Opportunity to Show Compliance alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-c) of the Michigan Insurance Code (Code), MCL 500.1239(1) and 500.1244(1)(a-c). Respondent failed to reply to the Notice.

On February 13, 2013, DIFS issued an Administrative Complaint and Order for Hearing which was served on Respondent. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (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 March 28, 2013, 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 on the

Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

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 (Commissioner) have been transferred to the Director of the Department of Insurance and Financial Services (Director).
2. The Director is statutorily charged by the Code with the authority and responsibility to exercise general supervision and control over persons transacting the business of insurance in Michigan.
3. At all relevant times, Respondent was a licensed insurance producer.
4. On or about February 4, 2012, an application for a Hospital Confinement Indemnity Insurance Policy was submitted to American Family Life Assurance Company of Columbus (AFLAC).
5. The application lists FAR (Client) as the proposed insured and bears his purported signature.
6. The application includes an attestation above Respondent's electronic signature stating, "I certify that I personally saw the Proposed Insured/Employee when the application was written, and each question was asked of the Proposed Insured/Employee and answered and recorded. All answers above are correct to the best of my knowledge."
7. The Client has provided written and verbal statements to DIFS and AFLAC investigators in which he unequivocally denies signing the application; he further states that he was never asked the questions on the application.
8. The Client also stated that Respondent contacted him by telephone and requested that he lie to the AFLAC investigators by stating that he met with Respondent in person and signed the application.
9. As a licensed insurance producer, Respondent knew or has reason to know that Section 1239 of the Code, MCL 500.1239, provides, in part:

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

* * *

(j) Forging another's name to an application for insurance or to any document related to an insurance transaction

10. Based on the above facts, Respondent's conduct violated the insurance laws of this state; Respondent forged another's name to an application for insurance. In addition, he requested that his client lie to an investigator so that his misconduct would not be discovered.
11. Finally, based on the above actions, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, that restitution be made, and licensing sanctions up to and including revocation.
12. DIFS Staff has made reasonable efforts to serve Respondent and has complied with MCL 500.1238.
13. Respondent has received notice and has been given an opportunity to respond and appear and has not responded or appeared.
14. Respondent is in default and the 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. Respondent's insurance producer license is **REVOKED**.

R. Kevin Clinton, Director
For the Director:



Randall S. Gregg, Deputy Director