

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

KELLY MC DONALD
System ID No. **0435590**

Enforcement Case No. 10-11111

Respondent.
_____/

Issued and entered
on December 6, 2010
by **Stephen R. Hilker**
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

The Respondent has violated the Michigan Insurance Code, *as amended*, MCL 500.100 *et seq.* (Code), and has agreed to resolve the matter as noted below. Respondent was given an opportunity to show compliance with the provisions of the Code pursuant to Section 92 of the Michigan Administrative Procedures Act, MCL 24.392. Respondent was also given the opportunity for a hearing before any penalties was imposed.

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all relevant times, Kelly McDonald, (“Respondent”) was a licensed resident insurance producer pursuant to the Code. System ID No. 0435590.
2. On or about August 9, 2010, OFIR staff was informed that Bankers Life and Casualty Company (“Bankers”) terminated its Michigan appointments of Respondent for cause.
3. More specifically, Bankers alleged that Respondent violated its policies and procedures when she forged signatures on policies and commission documentation, and misappropriated the identity of insurance customers.
4. Respondent admitted that she purchased three policies in an insured’s name, two of which, the insured did not give authorizations to Respondent to purchase and

was unaware that they had been purchased. Respondent also admitted to accepting personal checks as payment for policy premiums, but failing to turn those checks over to the appropriate persons. She, instead, cashed those checks and purchased money orders. Finally, Respondent admitted to forging the names of other agents to the commission split sheets.

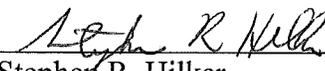
5. As a licensed resident insurance producer, Respondent knew or should have known that it is a violation of the Code, MCL 500.1239(1)(d), to improperly withhold, misappropriate, or convert any money or property received in the course of doing insurance business. Respondent violated Section 1239(1)(d) when she did improperly withhold, misappropriate, or convert personal checks in the course of doing insurance business.
6. As a licensed resident insurance producer, Respondent knew or should have known that it is a violation of the Code, MCL 500.1239(1)(e), to intentionally misrepresent the terms of an actual or proposed insurance contract or application for insurance. Respondent violated Section 1239(1)(e) when she did misrepresent the terms of an insurance contract she purchased using an insured's name.
7. As a licensed resident insurance producer, Respondent knew or should have known that it is a violation of the Code, MCL 500.1239(1)(g) and (j), to admit to having committed fraud. Respondent did violate Sections 1239(1)(g) and (j) when she committed fraud in the insurance business by applying for insurance using an insured's name and forged an agent's signature to commission sheets.
8. As a licensed resident insurance producer, Respondent violated MCL 500.1239(1)(h), when she used dishonest practices and demonstrated untrustworthiness and incompetency in the conduct of the business of insurance where she falsely submitted insurance applications, forged signatures, and misappropriate insurance premiums.
9. Based upon the above actions, Respondent has committed acts that are grounds for the Commissioner to revoke the Respondent's resident insurance producer licenses and impose a civil penalty.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent Kelly McDonald's resident insurance producer's license and authority are hereby **REVOKED**.
2. Respondent shall **PAY** to the State of Michigan a civil fine of \$500.00 (five hundred dollars and zero cents). Upon execution of this Order, OFIR will send Respondent an Invoice for the civil fine that is payable within 30 days of issuance of the Invoice.

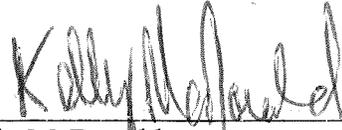
OFFICE OF FINANCIAL AND
INSURANCE REGULATION



Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

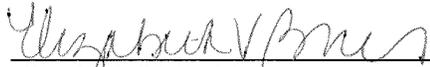
I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.



Kelly McDonald
Kelly McDonald
System ID No.0435590

Dated: 12/1/10

The OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.



Elizabeth V. Bolden
Elizabeth V. Bolden
OFIR Staff Attorney

Dated: 12/6/2010