

**STATE OF MICHIGAN**  
**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

**Jordan Norris,**  
**Petitioner**

v

**Office of Financial and Insurance Regulation,**  
**Respondent**

**Case No. 10-786-L**  
**Docket No. 2010-920**

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**For the Petitioner:**

**Bruce Rosenthal**  
**363 W. Big Beaver Road, Suite 450**  
**Troy, MI 48084**

**For the Respondent:**

**Elizabeth Bolden**  
**Office of Financial and Insurance**  
**Regulation**  
**P.O. Box 30220**  
**Lansing, MI 48909-7720**

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Issued and entered  
this 1<sup>st</sup> day of April 2011  
by Ken Ross  
Commissioner

**FINAL DECISION**

This case concerns the application of Jordan Norris (Petitioner) for a public adjuster license. Petitioner filed his application with the Office of Financial and Insurance Regulation (OFIR) in May 2010. Deputy Commissioner Jean Boven issued a Notice of License Denial and Opportunity for Hearing on July 20, 2010. Petitioner requested a hearing which was conducted on November 8, 2010. The Administrative Law Judge issued a Proposal for Decision (PFD) December 27, 2010 which recommended that the license denial be affirmed.

Petitioner filed exceptions to the PFD on January 11, 2011. Respondent filed a reply on January 14. Petitioner filed two additional responses on January 14 and 25.

Having reviewed the documentary evidence and the filings of both parties, the Commissioner concludes that the factual findings in the PFD are in accordance with the preponderance of the evidence. The conclusions of law are adopted except as set forth below.

The Commissioner adopts the PFD's conclusion that the Petitioner did not offer an intentionally misleading response to the license application question, "Are you employed by, do you own stock in, are you an officer or director of, or are you in any other manner connected with, a fire repair contractor or general builder?" Petitioner answered "No" to that question, assuming the question referred only to business connections with a fire repair contractor or general builder. The Petitioner's answer, while incorrect, does not establish that he lacked good moral character as alleged in the complaint. (A finding that an applicant lacks good moral character would, under section 1224(3) of the Insurance Code, disqualify the applicant from receiving a license.)

The Commissioner also adopts the conclusion in the PFD that the Petitioner should not be granted a public adjuster license. However, the Commissioner does not adopt the reasoning in the PFD, beginning on page 9, in support of that conclusion. The administrative law judge's reasoning is that, because the Petitioner lives with his father, who is a fire repair and general contractor, and because the Petitioner intends, at least for a short time, to operate his business from that residence, the father-son connection presents a problem for licensing under section 1224(4). It is true that sharing residential and business premises may create a connection that prohibits licensing an adjuster. However, the Commissioner does not agree that it is the living arrangements alone that present the licensing problem.

Section 1224 of the Insurance Code, MCL 500.1224, governs the licensing of public adjusters. Subsection 4, MCL 500.1224(4), provides:

The commissioner 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.

This provision prohibits licensing an individual who is connected with a fire repair contractor as an employee, stockholder, owner, officer, director, “or in any other manner.” This statutory language is very broad. It is not, as the Petitioner argues, limited to connections existing in the business world. Rather, the prohibition extends to connections “in any other manner” besides the business relationships enumerated in that provision.

It is clear that the legislature intended that public adjusters and contractors be well-separated. A review of numerous enforcement actions taken by this agency over many years shows the wisdom of that policy. Those actions demonstrate that adjusters can be persuaded to steer repair business to contractors who provide prohibited compensation to the adjuster – to the detriment of the homeowners who have a right to expect honest dealing from the adjuster they hire and pay from their insurance proceeds. To protect the public, the legislature has tried to create as wide a separation as possible between public adjusters and contractors. The broad prohibition written into section 1224(4) is the result.

By this decision, the Commissioner does not intend to convey that belief that the Petitioner would not serve the public honestly. This ruling is simply the recognition that the Petitioner is connected to a contractor and that connection, alone, requires the denial of the public adjuster license under section 1224(4).

#### ORDER

Therefore, it is ORDERED that the refusal to issue an insurance adjuster license to the Petitioner is upheld.



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Ken Ross  
Commissioner

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

In the matter of

Docket No. 2010-920

Jordan S. Norris, Sr.,  
Petitioner

Agency No. 10-786-L

v  
Office of Financial and Insurance  
Regulation,  
Respondent

Agency: Office of Financial and Insurance  
Regulation

Case Type: Intent to Deny License

Issued and entered  
this 27th day of December, 2010  
by Renée A. Ozburn  
Administrative Law Judge

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

By Application dated May 12, 2010, Jordan Norris, Sr. (Petitioner) applied to become licensed in Michigan as a residential adjuster. On July 20, 2010, the Office of Financial and Insurance Regulation (OFIR/Respondent) issued a Notice of License Denial and Opportunity for Hearing. OFIR filed a Motion for Summary Decision dated October 13, 2010. Petitioner filed a Response to the Motion for Summary Decision dated October 23, 2010. The undersigned Administrative Law Judge issued an Order Denying Motion for Summary Decision dated October 18, 2010.

A hearing was held on November 8, 2010. Attorney Bruce Rosenthal appeared on behalf of Jordan Norris. Attorney Elizabeth Bolden appeared on behalf of OFIR.

**ISSUES AND APPLICABLE LAW**

The issue is whether Mr. Norris has satisfied the criteria for licensure as an insurance adjuster under the statutory provisions of the Michigan Insurance Code (Code), 1956 PA 218, as amended, MCL 500.100 *et. seq.* Specifically at issue is Code Section 1224 which states:

Sec. 1224.

(1) An application for a license to act as an adjuster shall be made to the commissioner on forms prescribed by the commissioner.

(2) Within a reasonable time after receipt of a properly completed application form, the commissioner may subject the applicant to a written examination, and may conduct investigations and propound interrogatories concerning the applicant's qualifications, residence, business affiliations, and any other matter that the commissioner considers necessary or advisable to determine compliance with this chapter, or for the protection of the public. The commissioner may waive the examination requirements of this subsection for a person who has been licensed as an adjuster within the preceding 12 months. The commissioner shall make a decision on the application within 60 days after receipt of a properly completed application form.

(3) After examination, investigation, and interrogatories, the commissioner shall issue a license to an applicant if the commissioner determines that the applicant possesses reasonable understanding of the provisions, terms, and conditions of the insurance with which the applicant will deal, possesses reasonable understanding of the insurance laws of this state, intends in good faith to act as an adjuster, possesses a good business reputation, and possesses good moral character to act as an adjuster. Persons currently licensed and new licenses issued are subject to any additional restrictions under which a resident of this state would be licensed in the jurisdiction in which the applicant resides. Any such restriction shall be imposed by the commissioner upon the date set for payment of the license fee. The commissioner shall not issue a new license or accept an annual license fee continuing a current license to either of the following:

(a) A person residing in a state that denies a comparable license to a resident of this state solely because of residency.

(b) A person who is employed either directly or indirectly by an adjuster that is a resident of a state, or by an adjuster's business that has a majority of shareholders, members, officers, directors, or owners that are residents of a state, that denies a comparable license to a resident of this state solely because of residency. An affidavit from an applicant establishing compliance with this subdivision may be relied on by the commissioner to show compliance with this subdivision.

(4) The commissioner 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.

### SUMMARY OF EVIDENCE

The following is a summary of evidence considered substantive and material to the Findings of Fact and Conclusions of Law.

#### Petitioner Exhibits:

Exhibit 1	Electronically filed License Application
Exhibit 2	OFIR Notice of Denial
Exhibit 3	MCL 500.1224
Exhibit 4	Sample Residential Public Adjusting Contract
Exhibit 5	Not Admitted
Exhibit 6	Application Correction dated June 14, 2010
Exhibit 7	Assumed Name Business Certificate
Exhibit 8	Examination Scores
Exhibit 9	OFIR Notice re: steps for licensure after exam
Exhibit 10	Residential Builder License Application for C. Norris
Exhibit 11	C. Norris License re: Fire & Restoration Specialist

Respondent Exhibits:

- Exhibit A            Handwritten License Application
- Exhibit B            Sample Public Adjuster Contract (filled out)
- Exhibit C            Same as Exhibit B
- Exhibit C -1        Sample Public Adjuster Contract (blank)
- Exhibits D – H      Charles Norris' Licensing History

Jordan Norris is 28 years old. On or about June 9, 2010, Mr. Norris submitted a handwritten (Exhibit A) and electronic (Exhibit 1) Application for an Individual Non-Producer Insurance License. At the time he submitted the application, Mr. Norris resided at [REDACTED] in West Bloomfield, Michigan with his mother and father. His father is Charles Norris. The only previous job noted by Mr. Norris on his application was working in the bakery of Whole Foods in West Bloomfield, Michigan. Jordan Norris passed the Adjuster License examination on May 19, 2010. (Exhibit 8)

Question #9 on the Application states "Are you employed by, do you own stock in, are you an officer or director of, or are you in any other manner connected with, a fire repair contractor or general builder?" Jordan Norris checked "No" in response to Question #9. Jordan Norris interpreted the "in any other manner connected" segment of Question #9 as asking whether there was any other business related connection to a fire repair contractor or general builder other than the business connections listed (i.e. employee, stockholder, officer or director).

Jordan Norris's father, Charles Norris, is a licensed residential builder doing business as "Dynamic Restoration Services" located at 25539 John R., in Madison Heights, Michigan. (Exhibit 10) Charles Norris is also President of National

Fire & Restoration Specialists, Inc., a company that performs insurance restoration of damaged buildings. (Exhibit 11) This company is also located at 25539 John R., in Madison Heights, Michigan.

Although Jordan Norris still lives at the residential home of his parents in West Bloomfield, he has never worked for his father's companies and has no ownership interest in any of his father's businesses located in Madison Heights.

Jennifer Fletcher is an OFIR Department Analyst responsible for reviewing adjuster and insurance producer license applications. While reviewing Jordan Norris's application she noticed that the fax header indicating where the application was sent from was "National Fire". Further investigation indicated that National Fire was a fire repair contractor. Ms. Fletcher compared this information with Jordan Norris's 'No' answer to application Question #9 which asks if the applicant was connected with a fire repair contractor or general builder. Ms. Fletcher also learned that Jordan Norris's father Charles Norris owned National Fire. Subsequent to learning this information, Ms. Fletcher contacted Jordan Norris about other information on his application, but she never asked Mr. Norris for clarification of his answer to application Question #9.

On July 20, 2010, OFIR Deputy Commissioner Jean Boven issued a Notice of License Denial and Opportunity for Hearing. The denial was based on Mr. Norris answering 'No' to the application question about connections to a fire repair contractor or general builder. Because of the information obtained by OFIR showing that Jordan Norris's father worked as a fire repair and building contractor, OFIR concluded that Jordan Norris did not meet the good moral character requirement of Code Section 1224(3) because OFIR opined that his 'No' answer to application

Question #9 constituted a failure to disclose required information. Further, OFIR asserts that Jordan Norris' connection with his father is specifically prohibited by Code Section 1224(4) which states the commissioner 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.

In her job reviewing applications, Jennifer Fletcher interprets the Section 1224(4) phrase "or in any other manner is connected with, a fire repair contractor" broadly to include any relationship including a blood relative, neighbor or friend. Ms. Fletcher opines that no blood relative of a fire repair contractor could ever be licensed as an adjuster. This interpretation is based on her understanding of the rationale behind the statute which is to protect the public from adjusters who might be motivated to inflate insurance quotes or limit referrals to a particular fire repair contractor because of a connection or association with that contractor.

Jordan Norris interpreted the phrase "or in any other manner is connected with, a fire repair contractor" to mean an established business connection. Because he never worked for his father or any other fire repair contractor, and has no intent to work with his father in the future while licensed as an adjuster, he did not believe he was misrepresenting or misleading OFIR when he answered 'No' to application Question #9. Mr. Norris does not believe he has any relationship or connection with National Fire & Restoration Specialists, Inc., or Dynamic Restoration Services, simply because they are owned by his father. Mr. Norris does not discuss his father's customers with his father and he does not have access to his father's customer records. Mr. Norris

acknowledges that he did go into his father's office to use a fax machine located there for the purpose of transmitting his application to OFIR.

Jordan Norris decided to get into the adjusting business as a means of helping people obtain home ownership. His previous jobs have involved serving the public in culinary positions. Mr. Norris is not currently connected with any established adjusting company. After passing the adjuster exam in May 2010, Mr. Norris filed assumed name certificates to do business as "Insurance Loss Consultants" and "Adjusters Business" in anticipation of becoming licensed as an adjuster. (Exhibit 7) Although the business address listed on the two assumed name certificates is his home address on Holborn Trail in West Bloomfield, he eventually would like to rent out a business office in a separate building. If licensed, Mr. Norris would perform his public adjusting tasks on behalf of customers. He understands and would comply with the practice whereby adjusters normally receive a 10% commission from customer insurance proceeds and are not paid by any contractors.

#### FINDINGS OF FACT

1. On May 19, 2010, Jordan Norris filed an Application for Individual Non-Producer Insurance License.
2. In response to the application question "Are you employed by, do you own stock in, are you an officer or director of, or are you in any other manner connected with, a fire repair contractor or general builder?" Jordan Norris checked "No".
3. Charles Norris is the father of Jordan Norris.

4. Jordan Norris lives at the home of his mother and father on Holborn Trail in West Bloomfield, Michigan.
5. Charles Norris is a licensed residential builder doing business as "Dynamic Restoration Services" located at 25539 John R., in Madison Heights, Michigan.
6. Charles Norris is also President of National Fire & Restoration Specialists, Inc., a company that performs insurance restoration of damaged buildings. This company is also located at 25539 John R., in Madison Heights, Michigan.
7. Jordan Norris has never worked for Dynamic Restoration Services or National Fire & Restoration Specialists, Inc.
8. In the assumed named certificates filed by Jordan Norris (i.e. "Insurance Loss Consultants" and "Adjusters Business") in anticipation of becoming a licensed adjuster, the business address for these two entities is the same as Mr. Norris's home address on [REDACTED] in West Bloomfield, where he resides with his repair contractor father.

### CONCLUSIONS OF LAW

Jordan Norris bears the burden of proving that he meets the qualifications of the Insurance Code for licensure as an insurance adjuster. In issuing a Notice of Denial of License, OFIR made a determination that Mr. Norris does not meet the qualification of being of good moral character because he failed to disclose his

connection with his father during the application process. Further, OFIR asserts that even if Mr. Norris had disclosed that his father is a fire repair contractor, he would still be denied a license because being a blood relative of a fire repair contractor automatically disqualifies a person from obtaining an adjuster's license.

Mr. Norris gave a plausible rationale for answering "No" to the application question regarding a "connection" to a fire repair contractor or builder. The statutory language of Section 1224(4) and the application question suggest that the concern regarding a connection is whether there is a "business" connection or relationship. This can be discerned from the language preceding "connection" which asks if the applicant is employed by, owns stock in, is an officer or director of a fire repair contractor.

OFIR's assertion that any and all relationships with a fire repair contractor is reason enough to deny licensure as an adjuster is an overly broad interpretation which is not supported by the context of the statutory language, case law or written guidelines. If an applicant has never worked for, managed or owned a fire repair company, and does not intend to do so in the future, it is not unreasonable to interpret the phrase "or in any other manner is connected with" to exclude a connection that is nothing more than genetic. Because there is some ambiguity in the application question, it can not be unequivocally determined that Mr. Norris intended to mislead or intentionally withhold information when he answered "No" to the question regarding connections. Therefore, the evidence does not support a conclusion that Mr. Norris lacks good moral character under the provisions of Code Section 1224(3).

Although Mr. Norris's application answers did not prove a lack of good moral character, the fact that he resides with a fire repair contractor and has plans to conduct business as an adjuster out of their mutually shared home, poses a problem under Section 1224(4). The prohibition against issuing an adjuster license to someone employed by, owning stock in, or serving as an officer or director of a fire repair contractor, is to protect the public from the potential that adjusters and repair contractor's working together might inflate insurance quotes or limit referrals to a particular fire repair contractor. Within this context, the Section 1224(4) prohibition and use of the term 'connection' gets less murky when it is clear that a genetic connection is also a residence connection and that the applicant intends to operate his business in a residence shared with a fire repair contractor/licensed builder. If the applicant was simply related to a fire repair contractor, lived in a different city and intended to operate his adjuster business in a location far removed from any contact with a fire repair contractor and his business, there would be more room to argue that the public protection intentions of Section 1224(4) are not endangered. Therefore, the living arrangements and future business location plans stated by Mr. Norris provide good cause to deny licensure under Section 1224(4).

**PROPOSED DECISION**

The undersigned Administrative Law Judge proposes that the OFIR Commissioner issue a Final Decision in accordance with the above Findings of Fact and Conclusions of Law.

EXCEPTIONS

The parties may file Exceptions to this Proposal for Decision within 20 days after it is issued. Exceptions should be addressed to the Office of Financial and Insurance Regulation, 611 West Ottawa Street, 3rd Floor, P.O. Box 30220, Lansing, Michigan 48909; Attention: Dawn Kobus.

  
Renee A. Ozburn  
Administrative Law Judge