

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

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

v

**Enforcement Case No. 09-7539**

**Eddie Temple,  
and  
Financial Protectors, Inc.,  
Respondents**

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**For the Petitioner:**

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

**For the Respondent:**

**Eddie Temple  
18620 W. Ten Mile Rd, Suite 200  
Southfield, MI 48075**

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**Issued and entered  
this 9<sup>th</sup> day of April 2010  
by Ken Ross  
Commissioner**

**FINAL DECISION**

**I. Background**

Financial Protectors, Inc. is a licensed insurance agency authorized to transact the business of insurance in Michigan. Eddie Temple is a licensed resident insurance producer authorized to transact the business of insurance in Michigan. Mr. Temple is an officer and affiliated agent of Financial Protectors, Inc. These licensees are referred to as "Respondents" below.

On February 8, 2010, Chief Deputy Commissioner Stephen R. Hilker issued an Administrative Complaint, Notice of Opportunity to Show Compliance, and Order for Hearing in this case which was sent to Respondents at the address above. The Administrative Complaint set

forth detailed allegations that Respondents had failed to comply with sections 249(a), 1207(1), and 1239 of the Michigan Insurance Code, MCL 500.249(a), 1207(1), and 500.1239.

The Order for Hearing required Respondents to take one of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations stated in the Order with a statement that Respondents plan to attend the hearing, or request an adjournment.

Respondents failed to take any of these actions.

On March 8, 2010, the Petitioner filed a Motion for Final Decision. Given Respondents' failure to take one of the required actions, Petitioner's motion is granted. The factual allegations stated in the Administrative Complaint, being unchallenged, are accepted as true.

## **II. Findings of Fact and Conclusions of Law**

1. At all pertinent times, Respondent Eddie H. Temple was a licensed insurance producer with qualifications in accident, health, property and casualty, life, and variable annuities. Respondent Temple is also a licensed solicitor with qualifications in property and casualty and a licensed surplus lines producer.
2. At all pertinent times, Respondent Financial Protectors, Inc. was a licensed insurance agency with qualifications in accident, health, property, and casualty. Respondent Financial Protectors, Inc. is also a licensed surplus lines producer.
3. As licensees of the Office of Financial and Insurance Regulation (OFIR), Respondents knew or had reason to know that Section 1207(1) of the Michigan Insurance Code, requires a producer or agency "to be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn

over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility.”

4. As licensees, Respondents further knew or had reason to know that Section 1239(1)(b) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for “[v]iolating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.”
5. As licensees, Respondents further knew or had reason to know that Section 1239(1)(d) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for “[i]mproperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.”
6. As licensees, Respondents further knew or had reason to know that Section 1239(1)(h) of the Code allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244 of the Code for “[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.”
7. As licensees, Respondents further knew or had reason to know that Section 249(a) of the Code provides that “[f]or the purposes of ascertaining compliance with the provisions of the insurance laws of the state or of ascertaining the business condition and practices of an insurer or proposed insurer, the commissioner, as often as he deems advisable, may

initiate proceedings to examine the accounts, records, documents and transactions pertaining to: . . . [a]ny insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.”

8. By engaging in the conduct described below, Respondents have committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution be made to insureds to cover losses, damages or other harm attributed to Respondents’ violation of the Code.

**Count I**

9. On November 30, 2009, OFIR received a complaint from K. McVaney, regulatory director of AmWINS Brokerage. Ms. McVaney alleged that Respondent Temple and Financial Protectors, Inc. failed to forward premium to AmWINS Brokerage for insurance coverage sold to Superior Demolition Company, Inc., policy number [REDACTED]
10. On or about June 5, 2009, Superior Demolition Company, Inc. purchased policy number [REDACTED] from AmWINS Brokerage and RSUI Indemnity Company through Respondents. The total premium for the policy was \$7,500.00. Superior Demolition financed \$5,175.00 of the policy through Premco Financial Corporation after making a \$2,700.00 down payment.
11. Superior Demolition gave Respondents the \$2,700.00 down payment and Premco Financial Corporation forwarded \$5,175.00 to Respondents.

12. Between July 29, 2009, and November 6, 2009, Superior Demolition made monthly payments to Premco Financial Company. On November 6, 2009, Superior Demolition Company paid off the total balance owed to Premco Financial Company. The total cost of premium finance agreement was \$8,041.40.
13. Respondents failed to remit any of Superior Demolition's premium payments to the insurer. On August 31, 2009, policy number [REDACTED] was cancelled by RSUI Indemnity Company for non-payment of premium.
14. On December 4, 2009, OFIR sent Respondents a certified letter and faxed a copy of the letter requesting a response to these allegations. Respondents failed to respond.
15. Respondents violated Section 249, 1207(1), 1239(1)(d), and 1239(1)(h) of the Code by failing to remit insurance premium money to the insurer and by failing to respond to the inquiry from OFIR.

### Count II

16. In May 2009, [REDACTED] purchased from Respondents a business owners policy through Sentinel Insurance Company, Ltd., a subsidiary of The Hartford, for \$2,538.
17. On June 10, 2009, [REDACTED] paid Respondents the full premium of \$2,538.00. Respondent Temple deposited the check into Respondent Financial Protectors' bank account. [REDACTED] bank processed the check on June 12, 2009.
18. Respondents failed to remit the \$2,538.00 premium payment to the insurer.
19. On May 22, 2009, The Hartford sent a down payment bill to [REDACTED] with a due date of June 11, 2009. On June 22, 2009, The Hartford sent a past due notice to [REDACTED] with a

- due date of July 7, 2009. On July 22, 2009, The Hartford sent a second past due notice to [REDACTED] with a due date of August 6, 2009.
20. On August 17, 2009, The Hartford sent out a cancellation notice showing the policy would cancel effective August 31, 2009.
  21. In September 2009, [REDACTED] requested the policy be cancelled effective July 31, 2009. This cancellation was processed and a prorated credit for the unearned premium was applied to the policy.
  22. On October 7, 2009, Respondents paid [REDACTED] \$1,842.00, representing the unearned premium on the cancelled policy.
  23. On November 16, 2009, Respondents paid The Hartford \$696.00, representing the earned premium on the cancelled policy.
  24. On September 28, 2009, OFIR received a complaint from [REDACTED] who alleged that she received cancellation notices for policy [REDACTED] after paying the full premium of \$2,538.00 to Respondents.
  25. Respondents violated sections 1207(1), 1239(1)(d), and 1239(1)(h) of the Code by failing to remit insurance premium money to the insurer.

### **Count III**

26. On March 16, 2009, OFIR issued and entered a Consent Order and Stipulation against the Respondents for violating sections 1207(2) and 1239(1)(h) of the Code, MCL 500.1207(2) and 1239(1)(h).
27. Respondent Temple violated section 1239(1)(b) of the Code by violating an Order of the Commissioner.

### III. Order

Based on the conduct described above, and in accordance with sections 150 and 1239 of the Michigan Insurance Code, it is ORDERED that:

1. Respondent Temple shall pay restitution of \$8,041.40 to Superior Demolition Company, Inc.
2. Respondent Temple shall pay a civil fine of \$7,500.00 within 30 days of the date of this Order.
3. Respondent Financial Protectors, Inc. shall pay a civil fine of \$7,500.00 within 30 days of the date of this Order.
4. The insurance agency license of Financial Protectors, Inc. is revoked.
5. The insurance producer license of Eddie Temple is revoked.



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Ken Ross  
Commissioner