

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION
Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Erickson & Associates, Inc.
Agency ID # 0040046,
Respondent

Enforcement Case No. 11-11376

Issued and entered
this 8th day of March 2012
by Randall S. Gregg
Deputy Commissioner

FINAL DECISION

I. BACKGROUND

Respondent Erickson & Associates, Inc. is a resident insurance agency whose license is presently inactive. In early 2011, the Office of Financial and Insurance Regulation (OFIR) received information that Respondent had engaged in fraudulent conduct in connection with the sale of insurance policies. OFIR investigated the complaint and initiated a compliance action.

On November 23, 2011, OFIR summarily suspended Respondent's agency licenses pursuant to Section 1242(4) of the Michigan Insurance Code (the Code). The order of summary suspension included detailed allegations that Respondent had failed to comply with sections 1207(1) and 1239(1)(h) of the Code, MCL 500.1207(1) and 500.1239(1)(h).

The order offered Respondent the opportunity for an administrative hearing if Respondent requested a hearing within 20 days. Respondent did not request a hearing.

On January 30, 2012, OFIR staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to answer, Petitioner's motion is granted. The administrative complaint, being unchallenged, is accepted as true. Based on the factual allegations stated in the order of summary suspension, the Commissioner makes the following findings of fact and conclusions of law.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On or about August 30, 2010, _____ purchased insurance through Respondent. The insurance was issued by Sentry Select Insurance Company. On three occasions – in October 2010, December 2010, and January 2011 – Respondent received premium refunds issued for _____ The total refund due to _____ from Re-

spondent was \$1,116.00. Sentry Select Insurance Company has paid the refund to

2. By failing to remit fiduciary funds to Respondent violated sections 1207(1) and 1239(1)(h) of the Code.
3. In March 2011, consumer J S. paid Respondent \$216.00 for a homeowner's insurance policy from Great Lakes Mutual Insurance Company. Respondent failed to remit this insurance premium to the insurer.
4. By failing to remit fiduciary funds to J S., Respondent violated sections 1207(1) and 1239(1)(h) of the Code.
5. During the course of investigating these complaints, OFIR staff sent written inquiries to Respondent requesting information about its handling of the transactions with and J S. Respondent failed to respond to these inquiries.
6. By failing to respond to inquiries from OFIR, Respondent violated section 249 of the Code, MCL 500.249.
7. Respondent's actions described above constitute dishonest practices which demonstrate untrustworthiness and financial irresponsibility in the conduct of business in this state.
8. Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), allows the Commissioner to revoke an insurance producer's license for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
9. Section 1244(1) of the Code, MCL 500.1244(1), provides:

If the commissioner finds that a person has violated this chapter, after an opportunity for a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:

(a) Payment of a civil fine of not more than \$500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the commissioner may order the payment of a civil fine of

not more than \$2,500.00 for each violation. An order of the commissioner under this subsection shall not require the payment of civil fines exceeding \$25,000.00. A fine collected under this subdivision shall be turned over to the state treasurer and credited to the general fund of the state.

(b) A refund of any overcharges.

(c) That restitution be made to the insured or other claimant to cover incurred losses, damages, or other harm attributable to the acts of the person found to be in violation of this chapter.

(d) The suspension or revocation of the person's license.

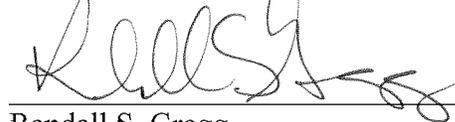
III. ORDER

Based on the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent shall cease and desist from violating sections 1207(1), 1239(1), and 249 of the Michigan Insurance Code.
2. Respondent shall pay restitution to Sentry Select Insurance Company and consumer J S.
3. The agency license of Erickson & Associates, Inc. is revoked.

R. Kevin Clinton
Commissioner

For the Commissioner:



Randall S. Gregg
Deputy Commissioner