

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Office of Financial and Insurance Regulation

Enforcement Case No. 11-11229
Agency No. 12-024-L

Petitioner,

v

Debra Hawkins
System ID No. 0462197

Respondent.

Issued and entered
this 27th day of September 2012
by Randall S. Gregg
Deputy Commissioner

FINAL DECISION

I. BACKGROUND

Respondent Debra Hawkins is a licensed insurance producer. In February of 2011 the Office of Financial and Insurance Regulation (OFIR) received information that Respondent had employed unlicensed persons in violation of the Michigan Insurance Code (Code), MCL 500.100 *et seq.* and engaged in fraudulent and dishonest practices. OFIR investigated the complaint and issued a Notice of Opportunity to Show Compliance (NOSC) alleging that the Respondent provided justification for discipline pursuant to Sections 1239(1)(e), (h), and (l) of the Code, MCL 500.1239(1)(e), (h), (l). Respondent participated in an OFIR NOSC conference. Respondent agreed to sign and return a Consent and Stipulation to Revocation. Respondent confirmed her address as that which is on record with OFIR.

On April 4, 2012, a proposed Consent Order and Stipulation was sent to Respondent at her address of record. The due date for its return was April 26, 2012. It was not returned.

On June 15, 2012, OFIR issued and sent an Administrative Complaint and Order for Hearing (Administrative Complaint) to Respondent at her address of record. The Order for Hearing

required Respondent to take one of the following actions within 21 days: agree to a resolution of the case, file a response to the allegations with a statement that Respondent planned to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

OFIR Staff then 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 upon the Administrative Complaint, the Commissioner makes the following Findings of Fact and Conclusions of Law.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all relevant times, Debra Hawkins (Respondent) was a licensed resident insurance producer with qualifications in Accident and Health, Life, and Variable Annuities, and was authorized to transact the business of insurance in Michigan.
2. From June 9, 2009 to December 19, 2010, Respondent had an active appointment from
3. On December 29, 2010, notified OFIR that Respondent's appointment was terminated for cause. alleged the events described below as justification for cancelling Respondent's appointment.
4. On or about May 6, 2010, F.B. submitted an application for life insurance to . The application was signed by Respondent as the witnessing agent. The application stated that Ms. B. was a nonsmoker.
5. On or about May 6, 2010, N.G., daughter of F.B. and former employee of Respondent, submitted an application for life insurance to . The application was signed by Respondent as the witnessing agent. The application stated that Ms. G. was a nonsmoker.
6. On June 17, 2010, N.G. contacted to clarify that both she and her mother were smokers.
7. N.G. also informed that her application and that of her mother had been filled out by P.H., Respondent's , and that N.G. had specifically told him that they were smokers.
8. On or about July 6, 2010, R.M., Respondent's client, contacted . He stated that he had received a billing notice and did not know why. He further stated that he did not sign the application document and did not know the agent listed on the application, "Debra Hawkins" (Respondent).
9. M.W. of Bank confirmed that P.H. opened non-funded bank accounts using client information that were then drawn on by P.H., creating overdrafts. When contacted by bank staff, account holders indicated that P.H. assisted them in opening the accounts via the

internet, that the accounts were for their life insurance, and that they were told that they did not have to pay for the life insurance.

10. On or about November 8, 2010, regarding a complaint filed with that: staff contacted L.H., Respondent's employee, for a bounced paycheck. Ms. L.H. stated that:
- i. She worked for Respondent from September 2010 through October 2010.
 - ii. She was unlicensed yet met with clients and performed sales presentations without the Respondent.
 - iii. She sat with clients during the personal history interviews.
 - iv. Respondent would offer to pay the initial premium if clients could not afford their initial premiums.
 - v. Respondent's [redacted], P.H., does not have a license but meets with proposed applicants and writes applications.
 - vi. Respondent's paycheck to her bounced, creating an overdraft.
11. As a licensed resident producer, Respondent knew or had reason to know that **Section 1201(m) of the Code, MCL 500.1201(m)**, defines "solicit" as "attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company."
12. As a licensed resident producer, Respondent knew or had reason to know that **Section 1212(1) of the Code, MCL 500.1212(1)**, provides in pertinent part that "[a]n agent may not appoint, employ or in any manner receive the benefit of business done or services rendered in this state by a person acting as a solicitor unless that person is so authorized to act by a written contract with the agent, he is licensed as a solicitor in accordance with this chapter, and the agent has notified the commissioner in writing of the appointment."
13. As a licensed resident producer, Respondent knew or had reason to know that **Section 1239(1) of the Code, MCL 500.1239(1)**, provides that the Commissioner may suspend or revoke an insurance producer's license for any of the following reasons:
- ...
- (e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- ...
- (h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

...

(l) Knowingly accepting insurance business from an individual who is not licensed.

14. As a licensed resident producer, Respondent knew or had reason to know that **Section 1244(1)(a-c), MCL 500.1244(1)(a-c)**, provides that the Commissioner may order the payment of a civil fine of up to \$500.00 for each violation and up to \$2,500.00 for each violation if the Commissioner finds that the person knew or reasonably should have known that he or she was in violation of the Code. The Commissioner may also require the person to refund any overcharges and pay restitution to cover losses, damages, or other harm they may have caused by violating the Code.
15. Based on the above facts, Respondent's conduct violated the insurance laws of this state by employing various persons, including Respondent's husband P.H., and L.H. as solicitors, without those persons being licensed as solicitors, and without informing the Commissioner in writing, in violation of Section 1212(1) of the Code, MCL 500.1212(1).
16. Based on the above facts, Respondent provided justification for discipline by intentionally misrepresenting the terms of proposed insurance applications, using fraudulent and dishonest practices, demonstrating financial irresponsibility, and knowingly accepting business from unlicensed individuals.

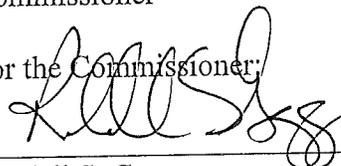
III. ORDER

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

1. Respondent shall cease and desist from violating the Michigan Insurance Code.
2. All insurance licenses of Debra Hawkins are REVOKED.

R. Kevin Clinton
Commissioner

For the Commissioner:



Randall S. Gregg
Deputy Commissioner