

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

ANGELLA K. SWAIN-JONES
System ID No. 0251677

ENFORCEMENT CASE NO. 13-11834

Respondent.

_____ /

Issued and entered
on November 12, 2013
By Teri L. Morante
Acting Chief Deputy Director

**ORDER OF SUMMARY SUSPENSION, NOTICE OF OPPORTUNITY FOR HEARING,
AND NOTICE OF INTENT TO REVOKE**

Pursuant to the Section 1242 of the Michigan Insurance Code (Code), MCL 500.1242, and Section 92 of the Michigan Administrative Procedures Act (APA), MCL 24.292, and based upon the attached FINDINGS, including that public health, safety and welfare requires emergency action,

IT IS THEREFORE ORDERED that:

1. The insurance producer license and authority of Respondent Angella K. Swain-Jones (Respondent) is **SUMMARILY SUSPENDED**.
2. A copy of this Order shall be immediately served upon Respondent. This order shall be effective upon the date of service.
3. If requested by Respondent, a hearing on this matter shall be held within a reasonable time, but not later than 20 calendar days after service of this Order, unless Respondent requests a later date. The hearing shall address the following issues:
 - a. Whether the suspension should be continued or withdrawn.
 - b. Whether Respondent's license should be revoked.
4. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System shall preside over any such hearing.

5. The Director retains jurisdiction of the matters contained within and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.


Teri L. Morante
Acting Chief Deputy Director

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Pursuant to Executive Order 2013-1 the Director has assumed the statutory authority and responsibility, granted to the Commissioner by the Code, to exercise general supervision and control over persons transacting the business of insurance in Michigan.
2. Angella K. Swain-Jones (Respondent) is a licensed resident insurance producer, with qualifications in property and casualty, and is authorized to transact the business of insurance in Michigan. System ID No. 0251677.
3. Swain Insurance (a/k/a The Swain Agency)(Swain Agency) is a sole proprietorship owned and operated by Respondent. Swain Agency's principal place of business is 4251 Davison Rd., Ste. 6 Burton, MI 48509. Although Swain Agency holds itself out to the public as engaged in the business of insurance, Swain Agency is not a licensed resident producer agency as required by the Code, and is not authorized to transact the business of insurance in Michigan.
4. Based upon the information as set forth below, the protection of the public health, safety, and/or welfare requires emergency action.
5. In March 2013, the Department of Insurance and Financial Services (DIFS) commenced an investigation of Respondent's business activities after receiving several complaints alleging Respondent collected premium funds from customers without placing insurance policies and issued false certificates of insurance.
6. DIFS' investigation determined that Respondent kept customers' premium funds that were to be remitted to the insurers for insurance purchases. She did not remit the insurance application or funds to the insurers, thus the customers had no insurance coverage.
7. Additionally, in order to conceal her misappropriation of customer funds, she issued fraudulent insurance binders and false certificates of insurance because she knew the customers had no insurance coverage with any insurer.
8. More specifically, on or about December 29, 2010, T. N. visited Swain Agency to purchase insurance for his automobile. He was quoted for insurance totaling \$950.00 for a six month policy. He received a State of Michigan Certificate of No-Fault Insurance showing that he purchased policy #9448751 with the Michigan Automobile Insurance Placement Facility (MAIPF) with a date of effectiveness beginning December 29, 2010 and ending June 29, 2011. T. N. paid the policy in full on the date of purchase.
9. On May 3, 2011, T. N. was in an automobile accident and sustained severe injuries. The accident led T. N. to discover that he did not have insurance. Mr. T. N. learned that despite paying money to Respondent and Swain Agency for insurance he had no insurance coverage with any company.

10. Respondent paid for the damage to Mr. N's vehicle. However, Mr. N. alleges that he has outstanding and accruing medical expenses as a result of Respondent not placing his insurance.
11. Between March 2013 and August 2013, customer Z. L. visited Swain Agency to purchase insurance for her automobile. She was given a quote for insurance totaling \$920 for a six-month policy. She received a State of Michigan Certificate of No-Fault Insurance showing that she had purchased policy #007432398 with the Michigan Automobile Insurance Placement Facility (MAIPF) with a date of effectiveness beginning March 5, 2013 and ending September 5, 2013. She made regular monthly premium payments to Swain Agency to pay for the auto policy.
12. In August 2013, Ms. L. contacted MAIPF to request a copy of her auto policy. MAIPF then told her that she did not have an auto policy with them. Ms. L. learned that despite the fact that she had paid money to Respondent and Swain Agency for insurance, she had no insurance coverage with any company. Neither Respondent nor Swain Agency refunded to Ms. L. the \$920 they received from her for insurance.
13. In September 2013, Respondent and Swain Agency purchased a six-month policy underwritten by Progressive Casualty Company for Ms. L. Ms. L. did not pay any additional money for the six-month policy underwritten by Progressive.
14. In March 2012, customer W. C. visited Swain Agency to purchase insurance for his automobile. He was given a quote for insurance for a six-month policy. He received a State of Michigan Certificate of No-Fault Insurance showing that he had purchased a policy #007043902 with Victoria General Insurance Company with a date of effectiveness beginning March 25, 2012, and ending September 25, 2012.
15. Days before Mr. C's auto insurance was to renew, he visited another insurance agency to purchase auto insurance. The agent required proof of prior coverage to show continuous liability for underwriting purposes. The agent contacted Respondent and Swain Agency for Mr. C's insurance information and was provided with a policy number. In an effort to confirm the information received from Respondent and Swain Agency, the agent contacted Victoria General Insurance and upon giving them the policy number and Mr. C's personal information he was told no such policy existed. Although Respondent and Swain Agency had received money for insurance and had given Mr. C. a certificate of insurance for no-fault insurance, Ms. C. never had a policy in force.
16. In February 2013, customer C. P. visited Swain Agency to purchase insurance for her automobile. She received a State of Michigan Certificate of No-Fault Insurance showing that she had a purchased policy #007359302 with MAIPF with a date of effectiveness beginning February 25, 2013, and ending August 25, 2013. She made regular premium payments to Swain Agency to pay for the auto policy. Although Respondent and Swain Agency received funds for insurance and issued a certificate of insurance for no-fault, Ms. P. never had a policy in force as confirmed by MAIPF.

17. Finally, in August 2013, Customers L.N & G. N. contacted Respondent and Swain Agency to verify and confirm their auto insurance with MAIPF. At their direction, Respondent faxed to their credit union an Acord Insurance Binder showing that they had purchased a policy from MAIPF for a 2012 Ford F150 with total premium of \$805, and a date of effectiveness beginning June 9, 2013, and ending December 9, 2013. Although Respondent and Swain Agency received funds for insurance and issued a certificate of insurance for no-fault, the L.N. and G.N. never had a policy in force with MAIPF.

At the time Respondent faxed the insurance binder to the credit union, she knew or had reason to know no such coverage existed and that the insurance binder was a fraud.

18. In response to the complaints, on September 17, 2013, DIFS' staff attempted to conduct an examination of Respondent and Swain Agency's books and records and was refused access.
19. Respondent has a history of demonstrating noncompliance with the Code. In January 2003, DIFS (formerly the Office of Financial and Insurance Services) assessed a \$3,000 fine against Respondent for fiduciary violations. *In the matter of: Angella Swain-Jones, Enforcement Case No. 02-01129.*
20. In March 2006, Respondent was also fined \$300 for failing to remit premium funds and failing to maintain reasonable accounting methods to record funds received. Additionally, she was ordered to cease and desist from violating Sections 1207(1) and (2) of the Code. *In the matter of: Angella Swain-Jones, Enforcement Case No. 05-2992.*
21. Lastly, in December 2009, the Respondent was fined \$500 for failing to remit premium funds and failing to maintain reasonable accounting methods to record funds received. Once again, she was ordered to cease and desist from violation Sections 1207(1) and (2) of the Code. *In the matter of: Angella Swain-Jones, Enforcement Case No. 09-7186.*
22. Respondent's previous actions that resulted in disciplinary actions against her insurance producer's license and her continued dishonest and fraudulent practices, and untrustworthiness and incompetence in the conduct of the business of insurance demonstrates a pattern of behavior that constitutes a serious threat to the public.
23. Based upon the above facts, Respondent Angella Swain-Jones, a licensed insurance producer, has committed acts that provide justification to suspend and revoke her insurance producer license where she:
 - a. Operated Swain Agency without it being properly licensed to engage in the business of insurance. MCL 500.1201a(1).
 - b. Intentionally misrepresented the status of an application for insurance by falsely indicating to consumers such applications were placed with insurance carriers for insurance and were not. MCL 500.1239(1)(e) and (h).

- c. Intentionally misrepresented the terms of an application for insurance by stating the application was being accepted and submitted for automobile insurance for a specific premium amount and for a period of effectiveness when it was not. MCL 500.1239(1)(e) and (h).
 - d. Converted money received from customers as part of their insurance transaction for reasons other than purchasing the customers' insurance coverage. MCL 500.1239(1)(d) and (h).
 - e. Used dishonest and fraudulent practices where she intentionally misrepresented the status of and the terms of insurance applications, binders and policies to consumers and members of the public. MCL 500.1239(1)(h).
 - f. Used dishonest practices in issuing false and fraudulent binders and certificates of insurance to consumers and members of the public indicating insurance coverage was being provided where none exist. MCL 500.1239(1)(h) and MCL 500.4503(i).
 - g. Demonstrated untrustworthiness and incompetence in the conduct of insurance business by misrepresenting the terms and status of insurance coverage, converting premium funds received from consumers and refusing to provide books and records of such transactions.
 - h. Failed to remit insurance premiums to the insurance carriers. MCL 500.1207(1).
 - i. Violated prior orders of the Director to cease and desist from the same and/or similar activities that led to compliance actions in 2003, 2006 and 2009.
24. The continuing dishonest and fraudulent practices, and untrustworthy and incompetent conduct of Respondent indicates that Respondent does not possess the knowledge to be engaged in the business of insurance, and further indicates that Respondent does not command the confidence of the public nor warrant the belief that Respondent will comply with the law.
25. A summary suspension of licensure is appropriate and necessary in order to protect the public from further financial damage and other harm and to protect the public interest.