

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

DANIEL J. CASTLE
System ID No. 0058794

Enforcement Case No. 15-12461

MEARS INSURANCE AGENCY
System ID No. 0086178

Respondents.
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**Issued and entered
on April 23, 2015
By Teri L. Morante
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 the public health, safety and welfare requires emergency action,

IT IS THEREFORE ORDERED that:

1. The insurance producer licenses and authority of Respondents are **SUMMARILY SUSPENDED**.
2. A copy of this Order shall be immediately served upon Respondents. This order shall be effective upon the date of service.
3. If requested by Respondents, 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 Respondents request a later date. The hearing shall address the following issues:
 - a. Whether the suspension should be continued or withdrawn.
 - b. Whether Respondents' licenses 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
Chief Deputy Director

FINDINGS OF FACT AND CONCLUSIONS OF LAW

6. Pursuant to Executive Order 2013-1 the Director has assumed the statutory authority and responsibility, granted to the Commissioner by the Insurance Code of 1956, MCL 500.100 *et seq.*, to exercise general supervision and control over persons transacting the business of insurance in Michigan.
7. Daniel J. Castle (Respondent), System ID No. 0058794, is a licensed resident insurance producer in the state of Michigan with qualifications to transact business in the lines of Property and Casualty, Life, Accident and Health, and Variable Annuities, effective February 16, 2008. Respondent Castle also held a Surplus Lines Producers license effective from June 30, 1999 through March 30, 2012. Castle is the owner and Designated Responsible Licensed Producer (DRLP) of Mears Insurance Agency.
8. Mears Insurance Agency (Respondent Mears), System ID No. 0086178, is a Michigan corporation with its principal place of business located at 4747 1st Street, New Era, MI 49446 and another business address of 14061 13 Mile Road #2, Warren, Michigan 48088. Mears is a licensed resident insurance producer agency in the state of Michigan with qualifications to transact business in Property and Casualty, Life, Accident and Health, effective February 27, 2008, and Variable Annuities, effective April 4, 2008.
9. In 2009, DIFS responded to complaints about Respondent's business practices and specifically reminded him of his statutory duty to "ensure proper accounting methods are in place for the timely remittance of all premiums." He was also advised that "failure to do so is a violation of the Code and will result in enforcement action against all licenses held under the Code."
10. On June 24, 2014, a notification of an upcoming DIFS audit was mailed to Respondents, to P.O. Box 131, 4747 1st Street, New Era, MI 49446, the address reported by Respondents to DIFS as their official address of record.
11. On July 23, 2014, the DIFS audit team conducted an on-site entrance meeting with Respondent at the office location at 4747 1st Street, New Era, MI 49446 to discuss the audit. The insurance agency consists of a desk and file cabinets in a combination bakery/coffee shop/pub also operated by Respondent. The insurance agency office is separated from the public area of the bakery/coffee shop/pub by a wine display case approximately 4 feet in height and a tall book case.

COUNT I
FAILURE TO RESPOND

12. On July 25, 2014 the DIFS audit team sent an initial data request for the audit period of January 1, 2012 through December 31, 2013 to the main office address. Respondent was instructed to provide the requested data by August 14, 2014.
13. After several inquiries regarding the submission of the initial data requested, on September 8, 2014, a Notice of Failure to Respond was sent via certified mail, instructing Respondent to make all requested data available to the audit team, in a usable format before close of business September 14, 2014, to avoid potential enforcement actions against Respondents. Ten days later, the audit team received a small portion of the initial data requested. After numerous requests via e-mail and telephone for the remaining data, the majority of the requested data was not provided.
14. After review of the reports submitted, the audit team requested a conference call with Respondent due to his inability to explain basic components or totals appearing on the reports or why reports for different years contained identical data and totals. On October 14, 2014, the audit team supplied Respondent with an agenda for the conference call. On October 15, 2014, a conference call was held between the audit team, Respondent and [REDACTED] Mears' Accounting Assistant.
15. It became clear during the conference call that Respondent would not or could not supply the requested data:
 - a. Respondent stated that Respondent Agency Mears does not maintain receipt logs;
 - b. Respondent stated, "The Agency has no procedures in place to verify insureds premiums are deposited and policies are bound;" and
 - c. Neither Respondent nor the Accounting Assistant were aware of the meaning of the data in the agency management system ("Applied") reports submitted, stating "In fact, the reports are incorrect," but that they chose to submit them to DIFS to avoid a DIFS finding that they had failed to respond.
16. Respondents knew or had reason to know that Section 200 of the Code, MCL 500.200, empowers the Director to execute the insurance laws of the State of Michigan and to perform such other duties as may be required by law.
17. Respondents knew or had reason to know that Section 249 of the Code, MCL 500.249, provides that the Director may initiate proceedings to examine the accounts, records, documents and transactions pertaining to any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor for the purpose of ascertaining compliance with the insurance laws of the State of Michigan.
18. Respondents 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 for "demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."

19. Respondents' failure to comply with the initial request for data covering an audit period of January 1, 2012 through December 31, 2013, demonstrates incompetence, untrustworthiness and financial irresponsibility and puts the public at risk when the Director is not able to ascertain compliance with Michigan's insurance laws.

COUNT II
LACK OF REASONABLE ACCOUNTING PROCEDURES

20. The DIFS audit team revised the audit period to focus on 2014 and to rely on documentation from outside sources due to Respondents' failure to provide records.
21. DIFS audit gathered the following evidence showing that despite being put on notice, Respondents have failed to meet their responsibilities under the Code.
22. Respondents recorded the receipt of customer payments under a system report titled "Cash Receipts Register, Bank of America – Mears Trust" which were inaccurate and incomplete due to the following:
 - a. Seventeen (17) customer payments were included in the 2013 Cash Receipts Register report (2013 report), but not deposited into the bank account. Approximately twelve (12) were payments made by theatres including Opera Fort Collins, Inc. and Music Theatre for Young People; and
 - b. The 2013 report indicated that no deposits were made during the month of June, yet the deposits and credits total \$22,000 in the bank statement.
23. On December 4, 2014, the audit team provided a list of all deposits appearing on Respondent Mears' Bank of America 'Trust' and 'General' accounts bank statements for the first ten (10) months of 2014 to Respondent for identification. On December 11, 2014, in response to the DIFS audit team inquiry, Respondent was unable to show that the following payments/deposits had been used to bind insurance coverage for customers and was unable to identify payer, carrier, policy number, and the date the premium payment was sent to an insurer:
 - a. On or about February 24, 2014, Respondent deposited \$320.00;
 - b. On or about March 17, 2014, Respondent deposited \$348.00;
 - c. On or about May 22, 2014, Respondent deposited \$217.00;
 - d. On or about June 6, 2014, Respondent deposited \$44.20;
 - e. On or about July 6, 2014, Respondent deposited \$110.00;
 - f. On or about July 22, 2014, Respondent deposited \$1,180.00;
 - g. On or about September 26, 2014, Respondent deposited \$1,302.00;
 - h. On or about October 17, 2014, Respondent deposited \$544.76; and

- i. On or about October 27, 2014, Respondent deposited \$746.10.
24. On or about September 25, 2014, Respondent deposited \$637.24 into Respondent Mears' Bank of America General Account. On December 11, 2014, Respondent did not respond to the DIFS audit team inquiry, regarding the source of the funds.
25. On January 6, 2015, Respondent indicated in an email to DIFS that basic accounting records have not been kept since 2007. Respondent further admitted that "the result of not following all of the Applied accounting procedures has contributed to the issues we encountered."
26. Respondents' failure to maintain receipt logs and/or to keep records verifying that insureds' premiums are deposited and policies bound demonstrates incompetence, untrustworthiness and financial irresponsibility in the conduct of business.
27. Despite being deemed to have known the requirements of the Code and having been put on specific notice of those requirements during DIFS prior investigation of Respondents' business practices, Respondent Castle, individually and as DRLP, has not instituted reasonable accounting methods to record funds received by either him or Respondent Mears in their fiduciary capacities and has violated Section 1207(2) of the Code, MCL 500.1207(2), giving rise to justification for disciplinary sanctions pursuant to Section 1239(1)(b) and (h) and 1244(1) of the Code, MCL 500.1239(1)(b) and (h) and 500.1244(1).
28. Despite being deemed to have known the requirements of the Code and having been put on specific notice of those requirements during DIFS prior investigation of Respondents' business practices, Respondent Mears' owner and DRLP knew or had reason to know that reasonable accounting methods to record funds received had not been implemented in violation of Section 1207(2) of the Code, MCL 500.1207(2), and the violation was neither reported to the Director nor corrected, giving rise to justification for disciplinary sanctions against Respondent Mears pursuant to Section 1239(3) and 1244(1) of the Code, MCL 500.1239(3) and 500.1244(1).

COUNT III
FAILURE TO REMIT and/or TIMELY REMIT

29. On November 11, 2014, DIFS received from Westfield Insurance (Westfield), a formal notification that Respondent Mears' agency appointment with Westfield had been canceled "for cause" effective May 10, 2015. Westfield stated, "Termination is due to violations of both Michigan statutes and parties' Agency Agreement, as well as breach of fiduciary duty in the handling of insurance premiums based upon recent actions and conduct by agency principal."
30. As licensees in Michigan, Respondents knew, or had reason to know that Section 1207 of the Code, MCL 500.1207, provides:
 - (1) An agent shall 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.

- (2) An agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers. An agent shall record return premiums received by or credited to him or her which are due an insured on policies reduced or canceled or which are due a prospective purchaser of insurance as a result of a rejected or declined application. Records required by this section shall be open to examination by the commissioner.

31. Respondent further knew, or had reason to know that Section 1239 of the Code, MCL 500.1239, states in pertinent part:

In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

(d) Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.

32. Westfield indicated it had received several customer complaints alleging that Respondent Mears had accepted premium payments in advance of the policy cancellation deadline, but had not timely remitted the funds to Westfield. As a result, two insureds had their coverage canceled for nonpayment. Both policyholders alleged that premiums had been timely paid to Respondent Mears prior to the due date.
33. Westfield further indicated that it had encountered an unreasonably high number of new policies bound by Mears which were thereafter cancelled for nonpayment with outstanding amounts owed. Of thirty-three (33) new policies reviewed, twenty-five (25) were thereafter cancelled for nonpayment. Westfield records also revealed numerous instances of Respondent uploading payments after the due date and thereafter seeking the reinstatement of policies that had been cancelled for nonpayment.
34. Quickdraw is an Electronic Funds Transfer program to electronically transfer payments from an agency to Westfield. According to the "Agency Quickdraw Authorization Form" dated December 20, 2010, Respondent authorized Westfield to sweep funds from Respondent Mears' account with Huntington National Bank (Account #01172130593) for premium payments received by Respondents. Based on the mutual agreement, the process is to follow the following steps:
- Upon receipt and deposit of customer payments, Respondents upload funds to the Quickdraw system as a notification to Westfield that they have collected and deposited the premiums;
 - Westfield then draws the funds out of Respondent Mears bank account two days after the payments are uploaded.

35. Westfield's "Cancel for Cause" notification to DIFS included an affidavit from Jill S. Stevens, Westfield's Customer Care Center Leader. The affidavit listed the following seven (7) insurance policies impacted by Respondents' failure to carry out their fiduciary responsibilities. Specifically, Respondent collected and uploaded the following amounts, but thereafter issued a stop order preventing Westfield from sweeping them from the designated sweep account:
- a. \$183.58 from insureds Q.&L.P. on October 14, 2014, for insurance premium due on October 18, 2014;
 - b. \$150.00 from insured A.D. on October 19, 2014, for insurance premium due on October 14, 2014;
 - c. \$215.25 from insured J.S. on October 19, 2014, for insurance premium due on September 16, 2014;
 - d. \$86.82 from insured J.S. on October 19, 2014, for insurance premium due on September 15, 2014;
 - e. \$313.88 from insured J.P-C. on October 19, 2014, for insurance premium due on October 19, 2014;
 - f. \$90.41 from insured J.H. on October 19, 2014, for insurance premium due on October 15, 2014; and
 - g. \$172.23 from insured L.H. on October 19, 2014, for insurance premium due on October 11, 2014.
36. A review of Respondent Mears' Huntington Bank monthly statements reveals the account had a consistent negative balance between October 14, 2014 and October 31, 2014, and sufficient premiums were not available for Westfield to sweep. In fact, the monthly bank statements for January through October 2014 reveal a negative account balance for all ten (10) months, causing a total of \$10,000 in overdraft fees.
37. On or about October 15, 2014, Respondent's client R.S. made a cash payment of \$134.90 toward a Westfield auto policy.
38. On November 11, 2014, Respondent admitted in an email that a non-agency employee had received the customer payment, but placed the money in Respondent's bakery cash register and never recorded it in the agency records. The non-agency bakery employee provided a hand written receipt to the insured. According to Respondent, the insured had made several attempts to contact him to address the Westfield notices of non-payment. It was not until the insured was able to talk with Respondent that Respondent realized the receipt was not a Westfield receipt, but a bakery receipt.
39. On March 13, 2015, John Batchelder at Westfield's Compliance Department confirmed that accounts had been cancelled for non-payment due to Respondents' failure to pay all or part of the premiums due.

40. At all pertinent times, United States Aircraft Insurance Group (USAIG), was an aviation insurance group headquartered at 123 Broad Street, New York, NY. USAIG member companies include ACE American Insurance Company (NAIC #22667), Liberty Mutual Insurance Company, (NAIC #23043), General Reinsurance Corporation, (NAIC #22039), and Columbia Insurance Company, (NAIC #27812).
41. On or about December 3, 2013, Respondent received a \$29,180.00 check payment from Universal Health Management., LLC (Universal), a healthcare staffing provider, located at 20836 Hall Road #317, Clinton Township, MI 48038, to obtain aircraft insurance coverage with effective dates December 4, 2013 to December 4, 2014. According to the bank statements provided by Bank of America, the check was deposited into Respondent's Trust bank account on December 4, 2013.
42. Respondents held the money for nearly five months without remitting the funds and binding coverage. Even after USAIG contacted Respondent Mears Agency in March 2014 regarding the non-remittance of the premium, Respondent did not remit the money to the carrier. Not until April 25, 2014 were funds transferred to USAIFG. Respondent Castle provided a bank statement for a personal bank account showing a wire transfer on April 25, 2014, to USAIG of \$20,000.00.
43. According to Respondent, the premium was paid from his personal account because the funds were no longer available in the Trust bank account. Respondent failed to remit the full \$29,180.00 collected, later claiming that the additional funds were due to him and the agency for commission. Respondent eventually failed to remit in excess of \$4,000.00 in premiums.
44. Despite being deemed to have known the requirements of the Code and having been put on specific notice of those requirements during DIFS prior investigation of Respondents' business practices, Respondent, individually and as DRLP, did not timely remit and/or misappropriated funds in violation of Section 1207(1) of the Code, MCL 500.1207(1), giving rise to justification for disciplinary sanctions pursuant to Section 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1).
45. Despite being deemed to have known the requirements of the Code and having been put on specific notice of those requirements during DIFS prior investigation of Respondents' business practices, Respondent Mears' owner and DRLP knew or had reason to know that the failure to timely remit and/or to misappropriate funds received is a violation of Section 1207(1) of the Code, MCL 500.1207(1), and the violation was neither reported to the Director nor corrected, giving rise to justification for disciplinary sanctions against Respondent Mears pursuant to Section 1239(3) and 1244(1) of the Code, MCL 500.1239(3) and 500.1244(1).

COUNT IV
IMPROPERLY WITHHOLDING OR MISAPPROPRIATING PREMIUM

Opera Fort Collins

46. On or about January 3, 2014, Respondents received \$687.00 from community theater group Opera Fort Collins (Opera) of Fort Collins, CO as payment toward an annual premium for insurance coverage from 12/20/2013 to 12/20/2014.
47. On or about June 11, 2014, Respondents received an additional \$1,173.17 from Opera for insurance.
48. On or about September 30, 2014, Opera received a cancellation notice from Mount Vernon Fire Insurance Company, a surplus lines carrier, indicating the policy would be cancelled on October 19, 2014, for nonpayment.
49. On October 6, 2014, a representative from Opera called Respondent who advised Opera that the policy referenced in the notice was “not our policy – he will check it out.”
50. Eleven months later, on December 11, 2014, and in response to DIFS audit team inquiry, Respondent indicated that an insurance policy had not been bound with the \$1,173.17 payment. Further, he did not show that funds had been refunded to the customer.
51. On February 3, 2015, Respondent received an email from Opera after it had received notice of a lapse in coverage:

“Dan, I received this notice about our company insurance yesterday....What is this? Is my company uninsured? We are in production for an opera and open at the Lincoln Center (Fort Collins) TOMORROW. Please let me know if we need to do something immediately to correct our coverage.”
52. Respondent then contacted Mount Vernon seeking reinstatement of the policy. Mount Vernon agreed to reinstate only if the entire premium balance of \$1,173.17 was first paid.
53. By improperly withholding and/or misappropriating customer funds, Respondents have violated Section 1207(1) of the Code, MCL 500.1207(1), and have demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of insurance business giving rise to justification for sanctions pursuant to Section 1239(1)(b), (d), (h) and (3), MCL 500.1239(1)(b), (d), (h) and (3), and Section 1244(1)(a-d), MCL 500.1244(1)(a-d).

L.B.

54. On or about May 12, 2014, Respondents received \$3,853.33 from L.B. of Hallandale, Florida to bind insurance on a boat.
55. Seven months later, on December 11, 2014, and in response to DIFS audit team inquiry, Respondent indicated that an insurance policy had not been bound. Further, he did not show that funds had been refunded to the customer.

56. By improperly withholding and/or misappropriating customer funds, Respondents have violated Section 1207(1) of the Code, MCL 500.1207(1), and have demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of insurance business giving rise to justification for sanctions pursuant to Section 1239(1)(b), (d), (h) and (3), MCL 500.1239(1)(b), (d), (h) and (3), and Section 1244(1)(a-d), MCL 500.1244(1)(a-d).

Music Theatre for Young People

57. On or about June 23, 2014, Respondents received \$600.00 from Music Theater for Young People, a community theater group, located in Shawnee, Kansas to bind liability insurance.
58. Nearly six months later, on December 11, 2014, and in response to DIFS audit team inquiry, Respondent indicated that an insurance policy had not been bound. Further, he did not show that funds had been refunded to the customer.
59. By improperly withholding and/or misappropriating customer funds, Respondents have violated Section 1207(1) of the Code, MCL 500.1207(1), and have demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of insurance business giving rise to justification for sanctions pursuant to Section 1239(1)(b), (d), (h) and (3), MCL 500.1239(1)(b), (d), (h) and (3), and Section 1244(1)(a-d), MCL 500.1244(1)(a-d).

Longmont Theatre Company

60. On or about July 21, 2014, Respondents received \$3,685.34 from Longmont Theatre Company of Longmont, CO to insure the community theater group.
61. Nearly five months later, on December 11, 2014, and in response to DIFS audit team inquiry, Respondent indicated that an insurance policy had not been bound. Further, he did not show that funds had been refunded to the customer.
62. By improperly withholding and/or misappropriating customer funds, Respondents have violated Section 1207(1) of the Code, MCL 500.1207(1), and have demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of insurance business giving rise to justification for sanctions pursuant to Section 1239(1)(b), (d), (h) and (3), MCL 500.1239(1)(b), (d), (h) and (3), and Section 1244(1)(a-d), MCL 500.1244(1)(a-d).

COUNT V
UNLICENSED SURPLUS LINES ACTIVITY

63. Respondent held a surplus lines license from June 30, 1999 to March 30, 2012, after which it was inactivated because it was not renewed by Respondent.
64. Respondent Mears was never licensed to transact surplus lines insurance.

65. After March 30, 2012, Respondent continued to sell surplus lines insurance without possessing a surplus lines license.
66. An internet search revealed a website, www.theatreinsurance.com, for the "National Community Theatre Coalition," a "theatre insurance program" operated by Respondent. Respondent actively solicits surplus lines insurance business from community theatre groups through the website.
67. However, during the October 15, 2014, conference call attended by Respondent, Respondent Mears Accounting Assistant and the DIFS audit team, Respondent stated he could not answer questions regarding surplus lines business as, "L [REDACTED] conducts all of the surplus lines business and she is familiar with carriers' risk tolerance."
68. During DIFS onsite visit, Respondent identified "L [REDACTED]" as L [REDACTED] C [REDACTED], an office assistant. A search of DIFS records was unable to find an insurance producer license issued to L [REDACTED] C [REDACTED].
69. Respondent knew, or had reason to know Section 1201a of the Code, MCL 500.1201a, provides:
 - (1) A person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with this chapter.
70. Respondent further knew, or had reason to know that Section 1201(e) of the Code, MCL 500.1201(e), defines "insurance producer" as a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance. Section 114 of the Code further defines "person" as:

"Person" as used in this code includes an individual, insurer, company, association, organization, Lloyds, society, reciprocal or inter-insurance exchange, partnership, syndicate, business trust, corporation, and any other legal entity.
71. As a previous surplus lines licensee in Michigan, Respondent knew, or had reason to know that Section 1905(1) of the Code, MCL 500.1905(1), provides that "A person shall not solicit insurance, bind, coverage, or in any other manner act as an agent or broker in the transaction of surplus lines insurance unless licensed under this chapter and section 1206a".
72. By selling and soliciting surplus lines insurance without a license and by using another unlicensed person to do so, Respondent has committed acts that violate Sections 1201a and 1905(1) of the Code.

COUNT V
SUBMISSION OF FRAUDULENT WORKERS COMPENSATION CLAIM

73. On May 8, 2014, a workers compensation claim was submitted to Westfield from an insured employee at Respondent's bakery indicating an injury date of March 20, 2014.

74. On May 12, 2014, Respondent confirmed the incident with Westfield, but stated the employee did not ask to seek medical treatment and only missed a few days of work.
75. Upon contacting the employee, Westfield learned that approximately \$3,000.00 in medical bills had been incurred for an injury sustained on March 20, 2014, and for which the employee was seeking reimbursement. Medical records confirm treatment on March 20, 2014. However, Westfield records indicated that the policy had been cancelled for non-payment on March 7, 2014. Westfield records further show that on March 13, 2014, Respondent acknowledged to a Westfield customer service representative that he knew that the workers compensation policy had been cancelled.
76. Respondent thereafter claimed alternatively that 1) the claim was fraudulent as to the claim of injury; and/or 2) the treating doctor had submitted an incorrect date of injury; and/or 3) Westfield's billing department had incorrectly applied payments; and/or 4) that he had actually reported the injury in March of 2014 and Westfield had changed the date of injury; and/or 5) the Westfield claims representative had personally changed the date of injury.
77. On September 12, 2014, Respondent emailed Westfield and attached a scratch pad note indicating the employee's name and a date of March 3, 2014. On September 16, 2014, a second claim was submitted for the same injury, but with the date of March 3, 2014.
78. Respondent has demonstrated financial irresponsibility, incompetence and untrustworthiness in the conduct of business by allowing his workers compensation policy to cancel for non-payment and by thereafter attempting to fraudulently change the date of injury so as to secure coverage and has provided justification for disciplinary sanctions pursuant to Section 1239(1)(h) and Section 1244(1) of the Code, MCL 500.1239(1)(h) and 500.1244(1).