

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

In the matter of:

ERIC GERARD CARRIER
System ID No. 0056965

ENFORCEMENT CASE NO. 13-11709

Respondent.

_____ /

Issued and entered
on March 25 2013
By **Annette E. Flood**
Chief Deputy Director

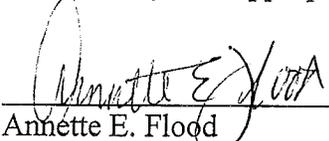
**ORDER OF SUMMARY SUSPENSION, NOTICE OF OPPORTUNITY FOR HEARING,
AND NOTICE OF INTENT TO REVOKE**

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 require emergency action,

IT IS THEREFORE ORDERED that:

1. The public adjuster for the insured license and authority of Respondent are **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 - a. Whether the suspension should be continued or withdrawn.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. Pursuant to Executive Order 2013-1, all authority, powers, duties functions and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of the Department of Insurance and Financial Services (Director).

6. 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.


Annette E. Flood
Chief Deputy Director

FINDINGS

1. The Director of the Department of Insurance and Financial Services (DIFS) is statutorily charged with the authority and responsibility to exercise general supervision and control over persons transacting the business of insurance in Michigan pursuant to the Insurance Code of 1956 ("Code"), MCL 500.100 *et seq.*
2. At all relevant times, Respondent Eric G. Carrier was a licensed public adjuster for the insured and was authorized to transact the business of public adjusting in the state of Michigan.
3. At all relevant times, Respondent was the owner and operator of Adjusters Worldwide, Inc. located in Livonia, MI.
4. Based upon the information as set forth below, protection of the public health, safety, and/or welfare requires emergency action.
5. On May 28, 1998, in *In the matter of: Eric Carrier, et. al.* case number 97-093-L, Respondent's public adjuster's license was suspended for forty days by Consent Order (1998 Consent Order) for failing to include the date and time of his solicitation of an adjusting contract with the insured, being connected with a fire repair contractor contrary to law and charging a fee in excess of 10% of the amount paid by the insurer in settlement of the loss.
6. In May 2008, DIFS received information that Respondent was wrongfully withholding insurance settlement proceeds.
7. DIFS' investigation of the complaint concluded and was incorporated in a Notice of Opportunity to Show Compliance that was issued to Respondent in November 19, 2009 (2009 NOSC).
8. DIFS' investigation of the complaint demonstrated the following:
 - a. Respondent failed to cooperate with DIFS regulators in producing records for examination of the accounts, records and documents associated with the complaint transaction in violation of Section 249 and 1228 of the Code.

- b. Respondent no longer met the minimum licensing requirements for a public adjuster pursuant to Section 1224(4) of the Code because he was connected with a fire repair contractor.
 - c. Respondent retained insurance proceeds in excess of 10% of the amount paid by the insurer in settlement of the loss in violation of Section 1226(3) of the Code.
 - d. Respondent failed to retain records of the transaction with the complainants for the statutory six-year retention period in violation of Section 1228 of the Code.
9. During DIFS' investigation of the complaint, DIFS' also learned that a \$10 million judgment had been filed against Respondent and his business, Recovery Management, Ltd. in Louisiana, for defrauding victims of Hurricane Katrina.
10. DIFS confirmed that in December 2008, a Petition for Damages had been filed in a case entitled *Versai Management Corp. v Eric Carrier, et. al.* Case No. 08-12712 (New Orleans, Louisiana). The Plaintiff alleged that Respondent, Respondent's business and Respondent's brother, Mark Carrier, perpetrated a fraud on Plaintiff by forging Plaintiff's and others' endorsements on \$510,996 in insurance proceeds received from their insurance carrier in payment of claims settled from Katrina losses.
11. On or about, April 24, 2009, the Louisiana court entered a judgment against the Respondent in the following manner:
 - a. \$211,100.00 Return of unlawful fees charged
 - b. \$510,996.00 Insurance proceeds fraudulently converted
 - c. \$7,466,299.24 Insurance proceeds lost as a consequence of negligence
12. The total amount of the Louisiana judgment issued against Respondent was \$10,088,295.24.
13. Between November 2009 and September 2010, Respondent failed to demonstrate compliance pursuant to the opportunity provided by the November 2009 notice and failed to pay the Louisiana judgment. As a result, in September 2010, DIFS filed a formal enforcement action against Respondent to revoke his public adjuster's license.
14. DIFS' formal enforcement action against Respondent commenced with the filing of a Complaint before the Michigan Administrative Hearing System, in an action entitled *DIFS v. Eric Carrier*, Case No. 10-000067-OFIR. Respondent appeared in the action with counsel. After a period of discovery, testimony commenced on October 18, 2012.
15. During the pendency of Respondent's revocation proceedings, DIFS received two additional complaints from insureds alleging the same violations of the Code.

16. On or about August 24, 2012, DIFS received a complaint from *Complainant L* alleging Respondent retained insurance proceeds in excess of 10% of the amount paid by the insurer in settlement of the loss in violation of Section 1226(3) of the Code, and that the public adjuster employed by Respondent's company, Adjusters Worldwide, was not licensed to adjust his claim.
17. On or about October 8, 2012, DIFS received a complaint from *Complainant S* alleging Respondent retained insurance proceeds in excess of 10% of the amount paid by the insurer in settlement of the loss in violation of Section 1226(3) of the Code.
18. DIFS provided the Respondent with three separate opportunities to respond to the complaints of *L* and *S*. Respondent failed to provide a sufficient response to DIFS' inquiry regarding the complaints.
19. In response to *L*'s complaint, Respondent submitted a fax cover sheet dated, January 28, 2013, and stated "[e]stimate for Mr. *L*. I believe that's all you needed." Respondent failed to provide records of the adjusting transaction that he is required to keep by statute, and failed to specifically address DIFS' inquiry regarding *L*'s complaint.
20. Respondent attempted to address *S*'s complaint in the same January 28 fax cover sheet by stating, "[y]ou ask me for names of people that I did appraisal for that I wasn't involved with doing the adjustment. I had never to one until Mrs. *S* called me." Respondent failed to provide records of the adjusting transaction that he is required to keep by statute, and failed to specifically address DIFS' inquiry regarding *S*'s complaint.
21. Without Respondent's cooperation, DIFS' preliminary investigation of the *S* and *L*'s complaints demonstrated the following:
 - a. Respondent failed to cooperate with the DIFS' regulators in producing records for examination of the accounts, records and documents associated with the *S* and *L* transactions in violation of Section 249 of the Code.
 - b. Respondent no longer met the minimum licensing requirements for a public adjuster because he was connected with a fire repair contractor in violation of Section 1224(4) of the Code.
 - c. Respondent retained insurance proceeds in excess of 10% of the amount paid by the insurer in settlement of the loss in violation of Section 1226(3) of the Code.
 - d. Respondent failed to retain records of the transaction with *S* and *L* for the statutory six-year retention period in violation of Section 1228 of the Code.
 - e. Respondent employed a person to aid, directly or indirectly, in soliciting or adjusting a loss that was not licensed to act as an adjuster in violation of Section 1226(1).

22. As a licensed adjuster for the insured, Respondent knew or should have known that Section 1244 of the Code provides the Director with the authority to revoke or suspend a public adjuster's license for violating the Code.
23. Respondent's actions as detailed above reflect violations of Sections 249, 1224, 1226, and 1228.
24. Respondent's previous actions that resulted in suspension of his public adjuster's license, defrauding victims of Hurricane Katrina, and his continuing dishonest and untrustworthy conduct, demonstrate a pattern of behavior that constitutes a serious threat to the public.
25. The continuing untrustworthy conduct of Respondent indicates that Respondent does not possess the requisite good moral character to be engaged in the business of public adjusting, and further indicates that Respondent does not command the confidence of the public nor warrant the belief that Respondent will comply with the law.
26. 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.