

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Department of Insurance and Financial Services**

**Enforcement Case No. 13-11844  
Agency No. 14-014-L**

Petitioner,

v

**Lindsay Haveman**

System ID No. 0570328

Respondent.

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Issued and entered  
on MAY 21<sup>st</sup>, 2014  
by **Randall S. Gregg**  
Deputy Director

**FINAL DECISION**

**I. Background**

Lindsay Haveman (hereinafter Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent had used dishonest practices and demonstrated untrustworthiness and financial irresponsibility in the conduct of business and Respondent had failed to respond to DIFS' inquiries regarding the allegations. After investigation and verification of the information, on February 5, 2014, DIFS issued a Notice of Opportunity to Show Compliance alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1)(b) and (h) and 1244(1)(a-c) of the Michigan Insurance Code (Code), MCL 500.1239(1)(b) and (h) and 500.1244(1)(a-c). Respondent failed to reply to the Notice.

On March 13, 2014, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to take any of these actions.

On April 21, 2014, DIFS staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. The

Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

## II. Findings of Fact and Conclusions of Law

1. 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 DIFS.
2. At all relevant times, Lindsay Haveman (System ID No. 0570328) (hereinafter Respondent) was a licensed resident insurance producer with qualifications in property and casualty in the state of Michigan since May 23, 2011, and her license is currently active. Respondent was appointed with State Farm Fire and Casualty Company and State Farm Mutual Automobile Insurance Company (collectively State Farm) on June 6, 2011. She was employed as a team member in JW's agency. She was terminated from employment on December 28, 2012.
3. In January of 2013, a State Farm field executive received two customer complaints from clients. The clients stated in their complaints that they had agreed to have their business quoted by Respondent, but never agreed to have their business transferred to State Farm.
4. A subsequent investigation by State Farm's Auto Underwriting Unit identified problems with 47 of 111 applications submitted by Respondent. The investigation revealed that Respondent had submitted auto applications for unwilling clients and subsequently set up a State Farm payment plan (SFPP) for each policy by applying a \$2 down payment.
5. Based on its investigation, State Farm concluded that Respondent submitted applications for all of the business she quoted and set up SFPP's for each of the applications, even when the client said "no." According to State Farm, Respondent may have engaged in this conduct to receive commission.
6. On or about July 19, 2013, State Farm sent a letter to DIFS providing notification that Respondent had been terminated from State Farm appointment for using dishonest practices in the conduct of business.
7. On or about August 1, 2013, DIFS' staff sent a letter of inquiry to Respondent at her address of record requesting a written response to State Farm's allegations no later than August 21, 2013. Respondent did not respond.
8. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), states that:

For the purposes of ascertaining compliance with the provisions of the insurance laws of the state or of ascertaining the business condition and practices of an insurer or proposed insurer, the

commissioner, as often as he deems advisable, may initiate proceedings to examine the accounts, records, documents and transactions pertaining to:

(a) Any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.

9. As a licensee, Respondent knew or had reason to know that Section 1238(1) of the Code, MCL 500.1238(1), states that:

(1) When applying for a license to act as an agent, solicitor, counselor, or adjuster, the applicant shall report his or her mailing and electronic mail address to the commissioner. An agent, solicitor, counselor, or adjuster shall notify the commissioner of any change in his or her mailing or electronic mail address within 30 days after the change. The commissioner shall maintain the mailing and electronic mail address of each agent, solicitor, counselor, or adjuster on file.

10. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b) and (h) of the Code, MCL 500.1239(1)(b) and (h), state that:

(1) 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:

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(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

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(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

11. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), by failing to respond to DIFS' inquiry pursuant to Section

249(a) of the Code, MCL 500.249(a), and/or by failing to update her address pursuant to Section 1238(1) of the Code, MCL 500.1238(1).

12. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by using dishonest practices and demonstrating untrustworthiness and financial irresponsibility in the conduct of business by submitting applications for insurance and setting up SFPPs without her clients' consent.
13. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.
14. DIFS staff has made reasonable efforts to serve Respondent and has complied with MCL 500.1238(2) and R 500.2107(4).
15. Respondent has received notice and has been given an opportunity to respond and appear and has not responded or appeared.
16. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

### III. Order

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

1. Respondent has violated MCL 500.249(a) of the Code.
2. Respondent shall cease and desist from violating the Code.
3. Respondent shall immediately cease and desist from engaging in the business of insurance.
4. Pursuant to MCL 500.1239(1)(b) and (h), Respondent's resident insurance producer license (System ID No. 0570328) is **REVOKED**.

Annette E. Flood, Director  
For the Director:



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Randall S. Gregg, Deputy Director