

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Gerald J. Wilkoff, Inc.

Enforcement Case No. 10-11056

Respondent

_____ /

Issued and entered
on January 21, 2011
by Stephen R. Hilker
Chief Deputy Commissioner

**CONSENT ORDER REQUIRING PAYMENT OF FINE AND TO RESCIND
CEASE AND DESIST ORDER AND STIPULATION**

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all times pertinent to the matter herein, Gerald J. Wilkoff, Inc. (Respondent or Wilkoff, Inc.) was a duly organized business entity in the State of New York with a registered mailing address of P.O. Box 142, Mineola, New York 11501-0142.
2. At all times pertinent to the matter herein, Respondent had a business address of 95 Main Street, Mineola, New York 11501-4013.
3. At all times pertinent to the matter herein, Respondent was not licensed by the Office of Financial and Insurance Regulation (OFIR) as an insurance agency to conduct the business of insurance in the State of Michigan.
4. Respondent knew or had reason to know that Section 1201a(1) of the Insurance Code (Code), MCL 500.1201a(1), states, "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."
5. OFIR received information which indicated that the Respondent conducted transactions of insurance for which a license is required by the Commissioner, prior to obtaining a license. Specifically, Respondent engaged in the act or practice of selling, soliciting or negotiating insurance in the State of Michigan.

6. During OFIR's investigation of a previously licensed insurance agency, Bosquett & Company (B&C) for fiduciary violations, OFIR found that on or about August 14, 2009, [REDACTED] wrote a check payable to B&C in the amount of \$500 for the renewal of its commercial crime insurance policy with Zurich American Insurance Company (Zurich). A renewal policy was issued by Zurich on or about August 18, 2009.
7. The check, in the amount of \$500, was endorsed by D.F., President of B&C, and negotiated on August 28, 2009. However, B&C failed to remit the premium payment to Zurich prompting Zurich to issue a cancellation notice to [REDACTED] with an effective date of January 21, 2010.
8. The Chief Deputy Commissioner of OFIR revoked B&C's insurance producer license on December 9, 2009 for fiduciary violations.
9. Due to the fact that B&C absconded with [REDACTED] premium payment in the amount of \$500, [REDACTED] subsequently paid its premium payment to Wilkoff, Inc. A review of [REDACTED] renewal policy for August 18, 2009, to August 18, 2012, revealed that Wilkoff, Inc. is listed on the policy as the insurance producer.
10. OFIR examined its records to determine whether Wilkoff, Inc. had an insurance license and found that the company did not hold an insurance license in the State of Michigan.
11. On January 27, 2010, OFIR contacted Zurich to obtain information regarding the cancellation of [REDACTED] insurance policy, a copy of any and all contracts or agreements between Zurich and Wilkoff, Inc., and a list of all policies for Michigan insured's in which Wilkoff, Inc. acted as an insurance agent.
12. On February 8, 2010, M.W. of Wilkoff, Inc. contacted Zurich to find out if Zurich would accept a payment in the amount of \$500 Wilkoff, Inc. had received from [REDACTED] Zurich informed Wilkoff, Inc. that the policy had not yet been cancelled and it will accept the payment.
13. On February 9, 2010, Wilkoff, Inc. submitted a check in the amount of \$387.50 for [REDACTED] policy renewal. This amount reflects the agent's deducted commission in the amount of \$112.50 from the gross premium of \$500.
14. On February 9, 2010, Zurich wrote a letter to [REDACTED] to inform it that the policy was not cancelled and to disregard the cancellation notice.
15. On August 11, 2010 and August 13, 2010, OFIR received the information it requested from Zurich on January 27, 2010.
16. According to an Agency Agreement between Zurich and Wilkoff, Inc., dated January 11, 1993, Wilkoff, Inc. has the authority to solicit and receive insurance applications, to

collect, receive, and receipt premiums, and collect on insurance business placed with Fidelity, commissions based upon agreed rates between Fidelity and Wilkoff, Inc.

17. The information submitted by Zurich indicates that Wilkoff, Inc. acted as an insurance agent relating to policies of insurance for other Michigan businesses.
18. Based on the foregoing, Respondent wrote, placed or caused to be written or placed, policies or contracts of insurance in the State of Michigan, prior to obtaining the requisite license to engage in said activities in this state.
19. On or about October 19, 2010, Respondent submitted to OFIR an application for a non-resident producer license. OFIR issued Respondent a non-resident producer license on October 28, 2010.
20. By engaging in the foregoing conduct, Respondent violated MCL 500.1201a(1).

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is **ORDERED** that:

1. Respondent shall CEASE and DESIST from violating MCL 500.1201a(1).
2. Respondent shall pay to the State of Michigan, through OFIR, a civil fine of \$1,000. Respondent shall further pay the fine within 30 days of the invoice date as indicated on the OFIR invoice. Failure by the Respondent to pay the fine with the time specified shall result in the immediate revocation of Respondent's insurance license and eligibility for licensure in this state without further proceeding.
3. The Cease and Desist Order issued against the Respondent in this matter on December 17, 2010, is hereby rescinded.



Stephen R. Hilker
Chief Deputy Commissioner

Dated: 1/21/11

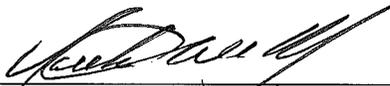
C. STIPULATION

Respondent has read and understands the consent order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Code. Respondent waives the right to a hearing in this matter if this consent order is issued. Respondent understands that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondent agrees to abide by the above consent order. Respondent admits to the Findings of Fact and Conclusions of Law set forth above and consents to the entry of this order.

Respondent agrees that it will pay to the State of Michigan, through OFIR, a civil fine in the amount of \$1,000. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.

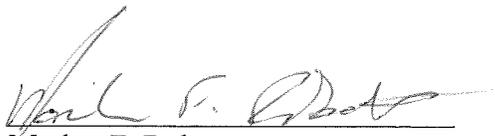
Gerald J. Wilkoff, Inc.

Dated: JANUARY 14, 2011


By: MATTHEW WILKOFF
Its: VICE PRESIDENT

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: 1/20/2011


Marlon F. Roberts
Staff Attorney