

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Kimberly Kay Delaet
System ID No. 0220427

Enforcement Case No. 12-11475

Respondent
_____ /

Issued and entered
on April 26th 2012
by Annette E. Flood
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. On or about December 28, 2011, the Office of Financial and Insurance Regulation (OFIR) received a letter from _____ stating that on November 18, 2011, _____ terminated the appointment of Respondent Delaet after their internal investigation determined that "she submitted bogus business with no intent to pay."
2. The _____ received an initial request for investigation based on a review of a credit card report that showed Respondent Delaet submitted applications for 45 policies for 7 policyholders using the same credit card information for payment of the policies and all the policies went to the same address, Respondent Delaet's P.O. Box address.
3. _____ investigation determined that Respondent Delaet submitted 174 applications for 61 different persons for which the person did not request the application to be submitted. Respondent Delaet wrote this business in 9 groups. All the policyholders were verified as actual persons who were employed at the indicated group at some point either currently or in the past. Most of the policyholders were legitimate _____ policyholders at some point in the past who had applied for their previous coverage with Respondent Delaet, but the most recent applications submitted by Respondent Delaet were not requested by the policyholders.

4. On July 26, 2011, during a recorded telephone interview with an Respondent Delaet admitted to submitting applications on individuals without their permission.
5. provided Respondent Delaet with \$20,318.08 in advanced commissions based on the submission of these applications.
6. As a licensee, Respondent Delaet further knew or had reason to know that Section 1239(1)(e) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance."
7. As a licensee, Respondent Delaet further knew or had reason to know that Section 1239(1)(h) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
8. As a licensee, Respondent Delaet further knew or had reason to know that Section 2018 of the Code provides that "An unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual."
9. As a licensee, Respondent Delaet knew or had reason to know that Section 1239(1)(b) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner."
10. Based upon the actions listed above, Respondent Delaet has committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution made to cover losses, damages or other harm attributed to Respondent's violation of the Code, and/or licensing sanctions under Section 1244(1) and 2038(1) of the Code for the Respondent's violation of 1239(1)(b), (e), and (h) and 2018 of the Code.

B. ORDER

Based upon the findings of fact and conclusions of law above, and Respondent's Stipulation to said facts, it is hereby ORDERED that:

1. Respondent Delaet shall immediately cease and desist from operating in a manner that violates the Michigan Insurance Code, 1956 PA 218, as amended, MCL 500.100 *et seq.*

2. Respondent Delaet's insurance producer license and authority are hereby **REVOKED**.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: Annette E. Flood
Annette E. Flood
Chief Deputy Commissioner

C. STIPULATION

I have read and understand the Consent Order above. I agree that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Insurance Code. I waive any right to a hearing in this matter if this Consent Order is issued. I understand 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. I waive any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. I admit the findings of fact and conclusions of law set forth in the above Consent Order and I agree to the entry of this Order. I admit that both parties have complied with the procedural requirements of the Code and the Michigan Administrative Procedures Act (MAPA), MCL 24.201 *et seq.* I have had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Kimberly Kay Delaet
Kimberly Kay Delaet
System ID No. 0220427

Dated: 4-18-12

OFIR staff approves this Stipulation and recommends that the Commissioner issue the above Consent Order.

William R. Peattie
William R. Peattie

Dated: 4/20/12