

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
Before the Commissioner of Financial and Insurance Regulation

In the matter of:

**Office of Financial and Insurance Regulation,
Petitioner**

v

**Steven Hoppens,
Respondent**

Enforcement Case No. 10-11070

For the Petitioner:

**Elizabeth Bolden
Office of Financial and Insurance Regulation
P.O. Box 30220
Lansing, MI 48909-7720**

For the Respondent:

Steven Hoppens

**Issued and entered
this 15th day of April 2011
by Ken Ross
Commissioner**

FINAL DECISION

I. Background

Respondent Steven Hoppens is a licensed resident insurance producer authorized to transact the business of insurance in Michigan. This matter concerns allegations that Respondent violated the Insurance Code by failing to remit insurance premium funds he had collected to the insurer to which the funds were owed.

On December 6, 2010, Chief Deputy Commissioner Stephen Hilker issued an Order Referring Complaint for Hearing and Order to Respond in this case. The Order set forth detailed allegations concerning the matter described above. The Order required Respondent to take one

of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations stated in the Order, file a statement that Respondent plans to attend the hearing or request an adjournment. Respondent failed to take any of these actions.

On January 18, 2011, OFIR staff filed a Motion for Final Decision. Given Respondent's failure to take one of the required actions, the staff's motion is granted.

II. Findings of Fact and Conclusions of Law

1. At all times pertinent to this case, Respondent was a licensed resident Michigan insurance producer.
2. As a licensed insurance producer, Respondent knew or should have known that section 1207(1) of the Michigan Insurance Code, MCL 500.1207(1), requires that an agent "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."
3. Respondent further knew or had reason to know that section 1239(1)(d) of the Insurance Code, MCL 500.1239(1)(d), allows the Commissioner to revoke an insurance producer's license for "[i]mproperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business."
4. On January 23, 2008, Respondent was given \$4,194.03 by the owner of Azox, Inc. as a premium payment for professional liability insurance to be underwritten by Lloyd's of

London. Respondent failed to obtain the requested insurance and kept the premium payment for his own personal use.

5. By misappropriating his client's funds and failing to forward the premium payment as required, Respondent violated sections 1207(1) and 1239(1)(d) of the Michigan Insurance Code.
6. Section 1244(1) of the Michigan Insurance Code, MCL 500.1244(1), provides:

If the commissioner finds that a person has violated this chapter, after an opportunity for a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:

- (a) Payment of a civil fine of not more than \$500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the commissioner may order the payment of a civil fine of not more than \$2,500.00 for each violation. An order of the commissioner under this subsection shall not require the payment of civil fines exceeding \$25,000.00. A fine collected under this subdivision shall be turned over to the state treasurer and credited to the general fund of the state.
- (b) A refund of any overcharges.
- (c) That restitution be made to the insured or other claimant to cover incurred losses, damages, or other harm attributable to the acts of the person found to be in violation of this chapter.
- (d) The suspension or revocation of the person's license.

III. Order

Based on the conduct described above, and in accordance with section 1244(1) of the Michigan Insurance Code:

1. Respondent shall pay a civil fine of \$2,500.00; and
2. Respondent shall pay restitution of \$4,194.03 to Azox, Inc.; and

3. The insurance producer license of Respondent Steven Hoppens is revoked.

A handwritten signature in black ink, appearing to be 'K. Ross', written over a horizontal line.

Ken Ross
Commissioner