

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Attorneys on Retainer
(Unauthorized)

Enforcement Case No. 25-18258

Respondent.
_____ /

**Issued and entered
on May 21, 2025
by Joseph A. Garcia
Senior Deputy Director**

**ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS
AND NOTICE OF OPPORTUNITY FOR HEARING**

Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

WHEREAS, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

IT IS ORDERED THAT:

1. Respondent shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.
2. A copy of this Order shall be immediately served upon Respondent. This Order shall be effective upon the date of service.
3. Respondent will have 30 calendar days after the service of this Order to contest the Order or any findings in the attached Statement of Findings, by requesting a hearing. Within 10 calendar days after receiving the request, the hearing process shall commence. If a hearing is requested, an administrative law judge from the Michigan Office of Administrative Hearings and Rules shall preside over any such hearing.
4. Any such hearing held shall address the following issues:
 - a. The facts set forth in the Statement of Findings.
 - b. The continuation of the Order to Cease and Desist.

- c. Restitution to be paid by the Respondent.
5. The Director shall have five (5) business days after the hearing (if requested) to affirm, modify, or set aside in whole or in part this Order.
6. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Randie Swinson, Hearings Coordinator, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8851.
7. **Failure to request a hearing within the period and through the procedures set forth in paragraphs 3 through 6 above will result in this Order becoming FINAL. Failure to comply with this Order, including, without limitation, any failure to immediately cease and desist from the unlicensed activity and/or other unlawful conduct described in the Statement of Findings, may result in a separate administrative proceeding seeking fines and other penalties set forth in paragraph 10 below.**
8. Moreover, DIFS reserves the right to pursue additional administrative proceedings authorized by law for Respondent's alleged conduct described in the Statement of Findings. In the event that DIFS decides to proceed with further administrative action, Respondent will receive notice and the opportunity to be heard in connection with these subsequent proceedings in accordance with the Code and the Michigan Administrative Procedures Act, MCL 24.201 *et seq.*
9. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.
10. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:
 - a. Payment of a civil fine of not more than \$1,000 for each violation not to exceed an aggregate civil fine of \$30,000. However, if the person knew or reasonably should have known the conduct was in violation of the cease-and-desist order, the person shall be subject to a civil fine of not more than \$25,000 for each violation not to exceed an aggregate civil fine of \$25,000.
 - b. Suspension or revocation of the person's license or certificate of authority.
 - c. Complete restitution, in the form, amount, and within the period determined by the Director, to all persons in Michigan damaged by the violation or failure to comply.



Joseph A. Garcia
Senior Deputy Director and General Counsel

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Attorneys on Retainer
(Unauthorized)

Enforcement Case No. 25-18258

Respondent.
_____ /

STATEMENT OF FINDINGS

1. Pursuant to Section 251(1) of the Michigan Insurance Code (Code), MCL 500.251(1), the Director is empowered to issue a cease-and-desist order if the Director finds any of the following:
 - (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
 - (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
 - (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.
 - (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare.

2. Chapter 6 of the Code, MCL 500.600 *et seq.*, defines the different types of insurance identified in the Code. Section 618 of Chapter 6 of the Code, MCL 500.618, provides:

"Legal expense insurance" is insurance which involves the assumption of a contractual obligation to reimburse the beneficiary against or pay on behalf of the beneficiary, all or a portion of his or her fees, costs, or expenses related to or arising out of services performed by or under the supervision of an attorney licensed to practice in the jurisdiction in which the services are performed. Legal expense insurance may also include provisions for basic legal services rendered to the beneficiary, by telephone or mail, by 1 or more attorneys licensed to practice in the jurisdiction in which the services are performed, none of whom are employees of or under the control of the insurer directly or indirectly. Legal expense insurance does not include the provision of or reimbursement for legal services incidental to other insurance coverages.

3. Pursuant to Section 402 of the Code, MCL 500.402, a “person shall not act as an insurer and an insurer shall not issue a policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted to it by the director under this act.”
4. Pursuant to Section 402a of the Code, in Michigan, the following transactions of insurance, whether effected by mail or otherwise, require a certificate of authority:
 - (a) The issuance or delivery of insurance contracts to residents of this state.
 - (b) The solicitation of applications for insurance contracts from residents of this state.
 - (c) The collection of premiums, membership fees, assessments, or other consideration for insurance contracts from residents of this state.
 - (d) The doing or proposing to do any act in substance equivalent to subdivisions (a) to (c).
5. On or about June 17, 2024, DIFS Staff received information about possible unauthorized insurance activities by Respondent Attorneys on Retainer (Respondent AOR).
6. An investigation was opened by DIFS on September 16, 2024. The investigation identified the following information:
 - (a) Respondent AOR is not authorized to act as an insurer in the state of Michigan.
 - (b) Respondent AOR charges its members \$35.00 per month or \$357.00 per year to enroll in a membership. Respondent AOR’s members are not eligible for benefits until they execute a contract with Respondent AOR and pay it a fee.
 - (c) Respondent AOR has enrolled 524 Michigan consumers in its membership plan and has collected membership dues from Michigan consumers.
 - (d) Respondent AOR is associated with the Attorneys for Freedom Law Firm, an Arizona-based law firm. Although Respondent AOR claims its membership contracts are retainer agreements with the Attorneys for Freedom Law Firm, Respondent AOR’s website explicitly states that the “Attorneys On Retainer Association is a separate entity from The Attorneys For Freedom Law Firm.” Additionally, the Attorneys for Freedom Law Firm’s website’s ‘Meet the Team’ webpage does not include any attorneys admitted to practice law in Michigan, and its membership contract acknowledges that its attorneys are admitted in Arizona.
 - (e) Respondent AOR’s membership contract states that the primary purpose of membership is to “reduce and control the cost of professional service for legal representation in self-defense-related criminal law matters, [and] associated civil liability matters... All other expense-related payments and reimbursement matters are incidental to this primary purpose.”

- (f) Respondent AOR's membership contracts, website, and video advertisements all state that Respondent AOR's members are afforded the following coverage:
 - (i) Finite coverage amounts for civil liabilities incurred from any civil action involving a self-defense claim.
 - (ii) Finite coverage amounts for bail bonds, scene clean up, psychological counseling, and firearm replacement that arise from the use of a weapon for the members' self-defense.
 - (iii) No-fee criminal and civil legal defenses related to any cause of action involving a self-defense claim.
 - (iv) No-fee expert witness and investigation services related to any cause of action involving a self-defense claim.
 - (v) A telephone hotline to address its members' legal questions or issues that is available 24 hours a day, 7 days a week.
 - (vi) Commercial liability coverage, including coverage that extends to a business's employees self-defense claims.
- 7. As set forth above, Respondent AOR is providing legal expense insurance, as defined by MCL 500.618, because it is assuming a contractual obligation to pay the cost of the legal expenses and other related expenses associated with its Michigan members' self-defense claims. Further, Respondent AOR is soliciting applications from Michigan consumers looking for legal expense insurance, delivering contracts that provide legal expense insurance to Michigan consumers, and collecting consideration based on the promise that Respondent AOR will pay these consumers' legal expenses.
- 8. As set forth above, Respondent AOR requires a certificate of authority to operate its legal expense membership program in Michigan, pursuant to MCL 500.618, MCL 500.402, and MCL 500.402a. Respondent AOR is in violation of MCL 500.402 and MCL 500.402a for acting as an insurer and conducting insurance transactions without maintaining the requisite certificate of authority.
- 9. The above-described violations of Chapter 4 of the Code authorize the Director to issue a Cease-and-Desist Order pursuant to Section 251(1)(a) of the Code, MCL 500.251(1)(a).