

**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. 21-16643
Agency No. 22-003-L**

Petitioner,

v

Jennifer Hawley
System ID No. 0208298

Respondent.

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ISSUED AND ENTERED

**on July 27, 2022
by Randall S. Gregg
Senior Deputy Director**

FINAL DECISION

I. INTRODUCTION

Jennifer Hawley (“Respondent”) is a licensed resident insurance producer with qualifications in life (since May 8, 2001), accident and health (since May 8, 2001), and property and casualty (since August 14, 2001). Respondent was formerly licensed in variable annuities from April 4, 2008, to October 1, 2013. Respondent held appointments with State Farm Life Insurance Company, State Farm Automobile Insurance Company, and State Farm Fire and Casualty Company from July 15, 2015, to September 24, 2019, when Respondent’s appointments were terminated for cause for falsifying information on a life insurance application. The Department of Insurance and Financial Services (“DIFS”) sent Respondent a letter of inquiry regarding the same allegations on December 18, 2019, and on January 7, 2020, Respondent contacted DIFS and admitted that she had lied on the life insurance application in question.

On March 24, 2022, DIFS served a complaint (the “Complaint”) on Respondent at the address that Respondent is required to maintain with DIFS. The Complaint stated that Respondent would have until April 18, 2022, to request a hearing. The Complaint further advised Respondent that her failure to request a hearing may result in the facts asserted within the Complaint being accepted as true by the Director of DIFS (the “Director”). The Complaint seeks, as relief for Respondent’s alleged violations, that the Director revoke Respondent’s licensure and the authority to transact the business of insurance in Michigan and award such other necessary and appropriate relief as is supported by the record. Respondent subsequently failed to request a hearing or otherwise respond to the Complaint. Because Respondent failed to respond, the

unchallenged Complaint is accepted as true. The Director therefore makes the following Findings of Fact and Conclusion of Law.

II. FINDINGS OF FACT

1. At all relevant times, Respondent was a licensed resident insurance producer in the state of Michigan with qualifications in life, accident and health, and property and casualty.
2. On August 28, 2019, Respondent's superior, [REDACTED], received a phone call from his office manager in which the office manager described overhearing Respondent's conversation with a consumer. The office manager indicated that she and another agent overheard the consumer disclose to Respondent that he had cancer within the preceding year. Respondent nevertheless completed the life insurance policy application by misrepresenting the consumer's health. In the application, Respondent failed to disclose that the consumer had cancer within the preceding year. Had Respondent properly disclosed the consumer's true condition, the consumer would have been ineligible for the life insurance policy.
3. On August 29, 2019, Mr. [REDACTED] verified the information with both agents and contacted the consumer. The consumer confirmed to Mr. [REDACTED] that he had a diagnosed case of cancer for which he had completed chemotherapy and started medication within the year preceding the application.
4. On December 18, 2019, DIFS staff sent a letter of inquiry to Respondent. On January 7, 2020, Respondent contacted DIFS and admitted to DIFS staff that she lied on the application because she "doesn't like to tell people no."
5. On or about March 24, 2022, DIFS served the Complaint on Respondent. Both the Complaint and the cover letter stated that Respondent had until April 18, 2022, to request a hearing with DIFS. The Complaint further explained the process through which Respondent could request a hearing. In addition, the Complaint stated, in bold and capitalized letters, that Respondent's failure to request a hearing "MAY RESULT IN THE FACTS ASSERTED IN THIS COMPLAINT BEING ACCEPTED AS TRUE BY THE DIRECTOR AND THE IMMEDIATE ISSUANCE OF A FINAL DECISION IMPOSING SANCTIONS AGAINST YOU [i.e., the Respondent] WITHOUT FURTHER OPPORTUNITY TO BE HEARD."
6. Respondent did not request a hearing by April 18, 2022.

III. CONCLUSIONS OF LAW

7. The Director is statutorily charged with the responsibility and the authority to administer and interpret the Insurance Code, MCL 500.100 et seq. (the "Code").
8. As a licensee, Respondent knew or reasonably should have known that Section 2018 of the Code, MCL 500.2018, provides that an unfair method of competition and an unfair or deceptive act or practice in the business of insurance includes 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. By submitting an application for insurance

with knowingly false information for the purpose of gaining coverage for her consumer for risks that were otherwise ineligible, Respondent violated Section 2018 of the Code.

9. As a licensee, Respondent knew or reasonably should have known that Section 2003(1) of the Code, MCL 500.2003(1), prohibits licensees from engaging in practices defined in the Code as being unfair methods of competition or an unfair or deceptive act or practice in the business of insurance. By engaging in a trade practice that is defined in Section 2018 of the Code to be an unfair method of competition or an unfair and deceptive act or practice in the business of insurance, as set forth above, Respondent violated Section 2003(1) of the Code.
10. As a licensee, Respondent knew or reasonably should have known that Section 4503(a) of the Code, MCL 500.4503(a), prohibits licensees from knowingly preparing or presenting written or oral statements containing false information concerning any fact or thing material to the application for insurance. By submitting an application for insurance with knowingly false information, and with an intent to deceive the insurer as to the ineligibility of the risks, Respondent committed a material misrepresentation that would have enabled the consumer to obtain coverage for risks that were otherwise ineligible. Respondent therefore violated Section 4503(a) of the Code.
11. As a licensee, Respondent knew or reasonably should have known that Sections 150(1), 1239(2)(e), and 1244(1) of the Code (MCL 500.150(1), MCL 500.1239(2)(e), and MCL 500.1244(1)), provide that she may be sanctioned for violating any insurance laws. By violating Sections 2003(1), 2018, and 4503(a) of the Code, as set forth above, sanctions are justified pursuant to Sections 150(1), 1239(2)(e), and 1244(1) of the Code.
12. As a licensee, Respondent knew or reasonably should have known that Section 1239(1)(c) of the Code MCL 500.1239(1)(c), provides that she may be sanctioned for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance. By misrepresenting an application for insurance by submitting an application for insurance with knowingly false information for the purpose of obtaining for the consumer coverage for risks that were otherwise ineligible, as set forth above, sanctions are justified pursuant to Section 1239(1)(c) of the Code and, correspondingly, Section 1244(1) of the Code.
13. As a licensee, Respondent knew or reasonably should have known that Section 1239(1)(f) of the Code MCL 500.1239(1)(f), provides that she may be sanctioned for having admitted or been found to have committed any insurance unfair trade practice or fraud. By misrepresenting to misrepresenting a material term on an application for insurance, as set forth above, Respondent committed an unfair or deceptive act or practice under Section 2018 of the Code. Sanctions are therefore justified pursuant to Section 1239(1)(f) of the Code and, correspondingly, Section 1244(1) of the Code.
14. As a licensee, Respondent knew or reasonably should have known that Section 1239(1)(g) of the Code MCL 500.1239(1)(g), provides that she may be sanctioned for “[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.” By submitting an application for insurance with knowingly false material information, Respondent has used fraudulent and dishonest practices and has demonstrated incompetence and untrustworthiness in the conduct of business in this state and elsewhere. Sanctions are therefore justified pursuant to Section 1239(1)(g) of the Code and, correspondingly, Section 1244(1) of the Code.

15. DIFS staff have made reasonable efforts to serve Respondent, and DIFS has complied with Section 1238(2) of the Code, MCL 500.1238(2). Respondent has received notice and has been given an opportunity to respond and appear, but Respondent nonetheless has failed to respond to the Complaint by requesting a hearing.
16. Respondent is in default, and DIFS is entitled to have all allegations accepted as true.
17. Pursuant to Sections 150(1), 1239(1)(c), 1239(1)(f), 1239(1)(g), 1239(2)(e), and 1244(1) of the Code, the Director may revoke the Respondent's license on the basis of the uncontested violations of the Code set forth above.

IV. ORDER

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

- A. Respondent shall cease and desist from violating the Code.
- B. Respondent shall immediately cease and desist from engaging in the business of insurance.
- C. Pursuant to Sections 150(1), 1239(1)(c), 1239(1)(f), 1239(1)(g), 1239(2)(e), and 1244(1), Respondent Jennifer Hawley's insurance producer license (System ID No. 0208298) is **REVOKED**.

Anita G. Fox, Director
For the Director:



Randall S. Gregg
Senior Deputy Director