

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Stevenson Company
System ID No. 0024761

Enforcement Case No. 23-17175

Robert J. Bucko
System ID No. 0018986

ISSUED AND ENTERED

on January 2, 2025
by Joseph A. Garcia
Special Deputy Director and General Counsel

FINAL DECISION

I. INTRODUCTION

This case concerns fraudulent and improper conduct on the part of Stevenson Company (Respondent Agency) and Robert J. Bucko (Respondent) (collectively Respondents) in violation of the Michigan Insurance Code of 1956 (Code), 1956 PA 218, as amended, MCL 500.100 *et seq.* Respondent is a licensed resident insurance producer and designated responsible licensed producer (DRLP) for Respondent Agency, and Respondent Agency is a licensed resident insurance business entity within the state of Michigan.

On October 17, 2024, following an investigation by the Department of Insurance and Financial Services (DIFS), DIFS served upon Respondents an Administrative Complaint and Statement of Factual Allegations (Complaint). The section of the Complaint entitled "Opportunity for Hearing" stated as follows:

IF YOU, AS THE RESPONDENT, WISH TO REQUEST AN ADMINISTRATIVE HEARING AS DESCRIBED ABOVE, YOU MUST DO SO BY FILING A REQUEST FOR HEARING AND/OR A RESPONSE TO THIS COMPLAINT WITHIN TWENTY-ONE DAYS OF THE DATE OF THIS NOTICE. FAILURE TO TIMELY REQUEST SUCH A HEARING OR TIMELY FILE A RESPONSE 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 WITHOUT FURTHER OPPORTUNITY TO BE HEARD.

The Complaint also advised the Respondents of their right to seek the assistance of an attorney and of their “right to remain silent,” that “[a]nything [they] say during this civil administrative proceeding and any information or documents [they] provide... may be used against [them] in a criminal prosecution.” See Complaint, p 6, ¶ 2. The Complaint follows the advisement of rights generally known as Miranda rights. See *Miranda v Arizona*, 384 US 436 (1966).

Respondents did not request a formal administrative hearing or otherwise respond to the Complaint. Given the Respondents’ failure to request a hearing, the unchallenged allegations in the Complaint are accepted as true. Based on the Complaint, the Director of DIFS makes the following Findings of Fact and Conclusions of Law.

II. FINDINGS OF FACT

The unchallenged factual allegations contained in the Administrative Complaint’s Statement of Factual Allegations are accepted as true and restated below.

1. At all relevant times, Respondent Agency was a licensed resident insurance business entity within the state of Michigan.
2. At all relevant times, Respondent was a licensed resident insurance producer. Respondent is also the DRLP for Respondent Agency.
3. Respondents were appointed producers for U.S. Specialty Insurance Company (USSIC) and sold a par plan offered by USSIC to several Michigan townships and municipal entities through a contract with G.B. Kenrick & Associates d/b/a Kenrick Corporation d/b/a Tokio Marine HCC Public Risk Group (PRG). PRG is authorized by USSIC to underwrite insurance policies and administer claims on its behalf.
4. Respondents’ appointment with USSIC was terminated per a letter dated September 21, 2021. DIFS was notified of the termination in October 2021.
5. Approximately one month later, on November 17, 2021, DIFS received an online complaint referral from the City of Brighton with an allegation that Respondent forged the signature of a city manager on an installment payment letter for USSIC.
6. An investigation revealed that numerous other Michigan municipalities, from 2017 through 2021, had installment plans in place as a result of letters of request that appeared to have forged signatures.
7. Respondent admitted to forging public officials’ signature(s).
8. Respondents failed to remit the full policy amount received from the insured municipalities on numerous occasions throughout 2014 to 2021.
9. Respondents regularly charged a “risk management fee” in connection with the execution of insurance policies, which was in addition to the commission earned for the policies. The services

associated with the “risk management fee” were services included in the par plans in exchange for premium payment.

10. Respondents regularly altered insurance certificates or declaration pages received by USSIC before presenting the document to the insureds.
11. Respondent has been the subject of previous enforcement actions initiated by DIFS for various other Code violations. As a result of these previous enforcement actions, Respondent recognized DIFS’ findings against him and agreed to pay a market conduct fee of \$7,500.00, complete nine hours of ethics education, and provide reporting to DIFS for one year after the Settlement Agreement was executed. During this same one-year period, Respondent was prohibited from applying for or obtaining any new insurance license or qualifications.
12. Respondent has also been the subject of several complaints filed with DIFS by consumers, businesses, or associates thereof in August 2015 and January 2021, and Respondents’ related entity, Bucko & Associates, has been the subject of at least four other complaints and enforcement actions between August 2010 and September 2015.
13. On October 17, 2024, DIFS sent a letter to each of the Respondents advising Respondents that DIFS determined Respondents engaged in activities that violate the Insurance Code and that subject Respondents to possible administrative penalties. The letters further advised Respondents that they had the right to request a hearing with DIFS within twenty-one days of the date of the letter and that failure to do so would result in the issuance of a Final Decision by DIFS without further opportunity to be heard.
14. Alongside the letters dated October 17, 2024, DIFS sent to Respondents the Administrative Complaint setting forth the details regarding the nature of the charges against them, the possible penalties should DIFS determine the charges are accurate, and their opportunity to request a hearing.
15. Respondents failed to respond to either DIFS’ letters or to the Administrative Complaint dated October 17, 2024, and failed to request a hearing or otherwise respond to or contest the charges set forth in the Complaint.

III. CONCLUSIONS OF LAW

The unchallenged conclusions of law contained in the section of the Administrative Complaint entitled “Applicable Laws and Penalties” are also accepted as true and stated below.

1. The Director is statutorily charged with the responsibility and authority to administer and implement the Insurance Code. See MCL 500.100, *et seq.*
2. Respondents knew or should have known that Section 1207 of the Code, MCL 500.1207, requires an agent to serve as a fiduciary for all moneys received in his/her capacity as an agent and recognizes that failure to timely turn over such funds to the insurer constitutes a breach of this duty. Despite this knowledge or presumed knowledge, Respondents breached their fiduciary

- duties in numerous ways. As explained above and as is further set forth in the Administrative Complaint, Respondents failed to timely turn over money that they received in their capacities as insurance agents to the insurer to which these sums of money were due. Instead, Respondents remitted only the portion of these funds, equal to an installment payment, on behalf of insureds who either did not request an installment payment plan or signed a letter requesting an installment payment plan under the pretext that they were receiving a premium discount for doing so, and/or requested a semi-annual installment plan when Respondents turned over a quarterly payment. These activities in violation of Section 1207 of the Code authorize the imposition of sanctions including license revocation, civil monetary fines, and other penalties pursuant to Sections 1239(2)(e) and 1244 of the Code, MCL 500.1239(2)(e) and MCL 500.1244.
3. Respondents knew or should have known that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), authorizes the Director to revoke an insurance producer's license and/or levy monetary penalties including civil fines, restitution, and refunds, under Section 1244 of the Code, for "[i]mproperly withholding, misappropriating or converting any money...received in the course of doing insurance business." As explained above, and as is further set forth in the Administrative Complaint, Respondents repeatedly misrepresented the terms of an insurance policy as requiring a risk management fee be paid to the Respondent Agency as a condition precedent to coverage under the policy. Respondents also misrepresented the cost of such policy to at least two insureds by claiming a discount applied to policies only when the insured executed a letter requesting an installment plan. The installment payment plan letters were utilized by the insurer in preparing the insurance contracts. Such conduct warrants sanctions under Sections 1239(1)(c) and 1244 of the Code, MCL 500.1239(1)(c) and MCL 500.1244, which includes license revocation, civil monetary fines, orders of restitution and other penalties set forth therein.
 4. Respondents knew or should have known that Section 1239(1)(g), MCL 500.1239(1)(g), authorizes the Director to revoke an insurance producer's license and/or levy monetary penalties including civil fines, restitutions, and refunds under Section 1244 of the Code, for "[u]sing fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business..." As explained above, and as is further set forth in the Administrative Complaint, Respondents engaged in multiple fraudulent acts in their conduct in the insurance business and demonstrated untrustworthiness and incompetence on numerous occasions with respect to various policies and insureds. Respondents forged the insured's signatures on letters requesting installment payment plans, altered declaration pages and renewal certificates for at least two (2) insureds on several occasions, coerced at least two (2) insured's representatives to sign installment payment plans by falsely claiming a discount was applied to the policy when such letters were in the file, and collected thousands of dollars from multiple insureds by charging a "risk management fee" or "risk collection fee" for services that were either never provided or provided as part of the insurance coverage at issue. Such activities warrant sanctions including license revocation and imposition of civil monetary fines and other penalties under Section 1239(1)(g) and Section 1244 of the Code.
 5. Respondents knew or should have known that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h) authorizes the Director to revoke an insurance producer's license and/or order monetary penalties including civil fines, restitutions, and refunds under Section 1244 of the Code, for "[f]orging another's name to an application for insurance or to any document related

- to an insurance transaction.” As explained above, and as is further set forth in the Administrative Complaint, Respondent admitted to forging the signatures of public officials on letters requesting installment payment plans for several governmental entities. Such conduct warrants license revocation, orders of restitution and refunds, and other monetary penalties under Section 1239(1)(h) and Section 1244 of the Code.
6. Respondents knew or should have known that Section 2271 of the Code, MCL 500.2271, prohibits the preparation or issuance of a certificate of insurance that contains any false or misleading information concerning the insurance policy referenced in the certificate. Despite this knowledge or supposed knowledge, Respondents prepared renewal certificates and declaration pages for insurance policies with false or misleading information as to the payment terms of the policy, among other things. Notably, “certificate of insurance” as used for purposes of Chapter 22 of the Code includes “a document...prepared by an...insurance producer that is a statement or summary of an insured’s property or casualty insurance.” See MCL 500.2270. Such activities warrant sanctions under Section 2277 of the Code, MCL 500.2277, which includes a cease-and-desist order as well as payment of a civil monetary fine up to twenty-five thousand dollars (\$25,000.00).
 7. Respondents knew or should have known that Section 2005(a) of the Code, MCL 500.2005(a), defines an “unfair method of competition and an unfair or deceptive act or practice in the business of insurance” as the making of a false statement that misrepresents the terms, benefits, advantages, or conditions of an insurance policy. Despite this knowledge or purported knowledge, Respondent misrepresented to the insureds that the “risk management fee” was a term or condition for issuance of the insurance policies and/or that the services provided by Respondents in exchange for this fee were not a covered benefit of the insurance policies. Such misrepresentations constitute unfair methods of competition and an unfair or deceptive act or practice in the business of insurance as defined by Section 2005(a) of the Code and are prohibited pursuant to Section 2003 of the Code, MCL 500.2003, warranting monetary fines and other penalties set forth in Section 2038 of the Code, MCL 500.2038.
 8. Respondents knew or should have known that Section 2018 of the Code, MCL 500.2018, defines an “unfair method of competition and an unfair or deceptive act or practice in the business of insurance” to include the making of 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 individuals. Despite this knowledge or presumed knowledge, Respondent falsely represented to the Grand Rapids Housing Commission and the City of Novi representatives that a discount applied when a letter requesting an installment payment plan was signed. In addition, Respondents falsely represented to several insureds that a risk management fee was payable to the Respondent Agency in connection with the application for insurance when, in fact, at least some of the services allegedly offered for such a fee were included in the insurance coverage. Such false and fraudulent representations resulted in Respondents receiving both a commission and a fee in connection with the applications and renewal applications for the licenses. Accordingly, Respondents have committed unfair methods of competition and an unfair or deceptive act or practice in the business of insurance as defined by Section 2018 of the Code, prohibited pursuant to Section 2003, and which warrants sanctions under Section 2038 of the Code.

9. Respondents knew or should have known that they may be sanctioned pursuant to Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), for “[v]iolating any insurance laws . . .” By violating Sections 1207, 2003, and 2271 of the Code as set forth above, and as further set forth in the Administrative Complaint, Respondents have provided justification for sanctions pursuant to Section 1239(2)(e) and Section 1244 of the Code.
10. A DRLP is a producer designated by the agency to ensure compliance with the laws, rules, and regulations of the State of Michigan. See MCL 500.1205(2)(b). To ensure compliance, a DRLP must be proactive in his or her oversight. He or she should have full knowledge of the business practices of the agency, the training that individual producers receive, and the method by which said producers are implementing the agency’s business practices and training. Without accurate knowledge of these things, it is impossible to determine whether the agency is in compliance with applicable laws.
11. As DRLP, Respondent has failed to ensure that Respondents are in compliance with the Code as indicated by the Code violations described above. By his failure to ensure Respondents’ compliance with the Code, Respondent Bucko has provided justification for sanctions pursuant to Sections 1239(1)(g) and 1239(2)(e) of the Code.
12. Respondents knew or should have known that Section 1239(5) of the Code, MCL 500.1239(5), authorizes the revocation of a business entity’s license upon a finding that an individual licensee violated the Code and such violation was known, or should have been known, by one or more of the partners, officers, or managers acting on behalf of the business entity, and the violation was neither reported to the Director nor corrective action taken. As explained above, and as is further set forth in the Administrative Complaint, Respondent engaged in multiple activities that violated the Code. Such violations were known, or should have been known, to one or more of the Respondent Agency’s partners, officers, or managers, and no report was made to the Director nor was corrective action taken. The Respondent Agency is subject to license suspension and other sanctions pursuant to Sections 1239(5) and 1244 of the Code, MCL 500.1239(5) and MCL 500.1244.
13. An individual may invoke his or her Fifth Amendment privilege “in any proceeding, civil or criminal, administrative or judicial, investigatory or adjudicatory.” See *Kastigar v United States*, 406 US 441, 444-45 (1972). The privilege is a personal one and does not extend to a corporation or its records. See *Bellis v United States*, 417 US 85, 89 (1974).
14. The Constitutional principles of fundamental fairness that derive from the concept of due process do not automatically require a stay of civil or administrative proceedings pending the outcome of parallel criminal proceedings. See *United States v Kordel*, 397 US 1 (1970).
15. Although DIFS included an advisement of rights directed at Respondents in the Administrative Complaint,¹ Respondent did not invoke his Fifth Amendment right to remain silent. Instead,

¹ See Administrative Complaint, p 6, ¶2.

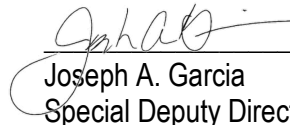
Respondents failed to respond whatsoever to two enforcement letters—one to each Respondent dated October 17, 2024—or to the Administrative Complaint.

16. Based on all the above, and as further set forth in the Administrative Complaint incorporated herein, Respondents have committed acts that provide justification for the Director to order the payment of a civil fine, the refund of any overcharges, that restitution be made to cover the losses, damages or other harm attributed to Respondents' violations of the Code, and/or other licensing sanctions, including revocation of licensure.

IV. ORDER

Therefore, it is **ORDERED** that:

1. Respondents are in default in this matter and all allegations contained in DIFS' Administrative Complaint are accepted as true in all respects.
2. Pursuant to Sections 1239(5) and 1244(1)(d) of the Code, MCL 500.1239(5) and MCL 1244(1)(d), Respondent Robert J. Bucko's insurance producer license (System ID No. 0018986), and Respondent Stevenson Company's insurance producer license (System ID No. 0024761) are **REVOKED**.
3. Respondents shall immediately **CEASE AND DESIST** from engaging in the business of insurance.
4. Pursuant to Section 1244(1)(a) of the Code, MCL 500.1244(1)(a), Section 2038(1)(a) of the Code, MCL 500.2038(1)(a), and Section 2277 of the Code, MCL 500.2277, Respondent Robert J. Bucko shall pay to the State of Michigan civil fines in this matter in the total amount of \$10,000.00.
5. Pursuant to Section 1244(1)(a) of the Code, MCL 500.1244(1)(a), Section 2038(1)(a) of the Code, MCL 500.2038(1)(a), and Section 2277 of the Code, MCL 500.2277, Respondent Stevenson Company shall pay to the State of Michigan civil fines in this matter in the total amount of \$10,000.00.
6. The civil fines provided for in Paragraphs 4 and 5 must be paid within thirty (30) days of the date of this Final Decision.



Joseph A. Garcia
Special Deputy Director and General Counsel