

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

Kvaughn Grier
System ID No. 0866858

Enforcement Case No. 24-17881

Respondent.

ISSUED AND ENTERED

on June 30, 2025

by Joseph A. Garcia

Senior Deputy Director and General Counsel

FINAL DECISION

I. INTRODUCTION

This case concerns allegations that Kvaughn Grier ("Respondent"), a licensed resident producer, violated the Michigan Insurance Code, 1956 PA 218, MCL 500.100 to 500.8302 ("the Code"), by selling fraudulent life insurance policies.

On March 12, 2025, staff of the Department of Insurance and Financial Services ("DIFS") mailed a Notice of Opportunity to Show Compliance to Respondent at his mailing address of record detailing the evidence of Code violations and offering Respondent the opportunity to reply to the allegations. Respondent did not avail himself of this opportunity and compliance was not otherwise shown.

On April 30, 2025, DIFS issued to Respondent an Administrative Complaint and Opportunity for Hearing (the "Complaint") offering Respondent an opportunity to participate in a formal administrative hearing regarding the alleged misconduct. The Complaint included this provision:

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

Respondent did not submit a request for hearing. Given the Respondent's failure to request a hearing, the unchallenged allegations in the Complaint are accepted as true. Based on the Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. FINDINGS OF FACT

The unchallenged factual allegations contained in the Complaint are accepted as true and are restated below.

1. Respondent was a licensed resident insurance producer during all times relevant to this enforcement action.
2. On December 30, 2019, the DIFS Regulatory Compliance & Support Unit received a “cancel for cause” and/or termination notice from Occidental Life Insurance Company of North Carolina (“Occidental Life”) for submitting fraudulent life insurance applications to receive commissions.
3. On October 29, 2021, the matter was referred to the Insurance Investigations Section (“IIS”) from the Regulatory Compliance Support Unit and an investigation was opened. At the conclusion of its investigation, DIFS IIS staff made the following determinations:
 - a) Respondent submitted several policy applications to Occidental Life where policy applications listed the same bank information, initial premium payment drafts were returned with insufficient funds, and applications had invalid policyholder contact information. Respondent received an advanced commission in the amount of \$10,499.61 for these policies.
 - b) Respondent failed to respond to multiple inquiries from DIFS regarding the allegations. On May 18, 2022, and on June 1, 2022, DIFS’ Investigator attempted to contact Respondent Grier by email at his email address of record. No response was received. On August 24, 2022, a DIFS Investigator mailed letters via certified and first-class mail to Respondent’s home mailing address of record. No response was received.
4. On March 12, 2025, DIFS staff mailed a Notice of Opportunity to Show Compliance to Respondent’s mailing address of record. No response was received.

III. CONCLUSIONS OF LAW

The unchallenged conclusions of law contained in the Complaint are accepted as true and are restated below.

1. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), grants power to DIFS to examine licensees and review records for the purposes of ascertaining compliance with the provisions of the insurance laws of the state. Respondent violated Section 249(a) of the Code, MCL 500.249(a), by failing to respond to DIFS’ inquiries as set forth above.
2. By violating Section 249(a) of the Code, MCL 500.249(a), Respondent has provided justification for sanctions pursuant to Section 150(1) of the Code, MCL 500.150(1).

3. As a licensee, Respondent knew or had reason to know that Section 2018 of the Code, MCL 500.2018, provides that “[a]n 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.” Respondent’s actions, as described above, constitute an unfair method of competition and an unfair or deceptive act or practice in the business of insurance as defined by Section 2018 of the Code, MCL 500.2018.
4. As a licensee, Respondent knew or had reason to know that Section 2003(1) of the Code, MCL 500.2003(1), provides that “[a] person shall not engage in a trade practice that is defined or described in this chapter or is determined under this chapter to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.” By engaging in practices that constitute an unfair method of competition and/or deceptive acts or practices in the business of insurance as defined by Section 2018 of the Code, Respondent has violated Section 2003(1) of the Code, MCL 500.2003(1).
5. As a licensee, Respondent knew or had reason to know that Section 2038(1) of the Code, MCL 500.2038(1), provides:
 - (1) If, after opportunity for a hearing held under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the director determines that the person complained of has engaged in methods of competition or unfair or deceptive acts or practices prohibited by sections 2001 to 2050, the director shall reduce his or her findings and decision to writing and shall issue and cause to be served on the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from engaging in that method of competition, act, or practice. The director may also order any of the following:
 - (a) Payment of a monetary penalty of not more than \$1,000.00 for each violation but not to exceed an aggregate penalty of \$10,000.00, unless the person knew or reasonably should have known he was in violation of this chapter, in which case the penalty must not be more than \$5,000.00 for each violation and must not exceed an aggregate penalty of \$50,000.00 for all violations committed in a 6-month period.
 - (b) Suspension or revocation of the person's license or certificate of authority if the person knowingly and persistently violated a provision of this chapter.
 - (c) Refund of any overcharges.
6. Respondent knew or reasonably should have known that Section 1239(1)(c) of the Code, MCL 500.1239(1)(c), provides that the Director may discipline licensees for “[i]ntentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.” By entering fraudulent information on the insurance applications that he submitted to Occidental Life, Respondent has provided justification for sanctions pursuant to Section 1239(1)(c) of the Code, MCL 500.1239(1)(c).

7. Respondent knew or reasonably should have known that Section 1239(1)(f) of the Code, MCL 500.1239(1)(f), provides that the Director may discipline licensees for "[h]aving admitted or been found to have committed any insurance unfair trade practice or fraud." By committing an unfair trade practice in violation of Section 2003 of the Code, MCL 500.2003, as outlined above, Respondent has provided justification for sanctions pursuant to Section 1239(1)(f) of the Code, MCL 500.1239(1)(f).
8. Respondent knew or reasonably should have known that Section 1239(1)(g) of the Code, MCL 500.1239(1)(g), provides that the Director may discipline licensees 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 engaging in the conduct described above, Respondent has provided justification for sanctions pursuant to Section 1239(1)(g) of the Code, MCL 500.1239(1)(g).
9. Respondent knew or reasonably should have known that Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), provides that the Director may discipline licensees for "[v]iolating any insurance laws or violating any regulation, subpoena, or order of the director or of another state's insurance commissioner." By violating Sections 249(a) and 2003 of the Code, MCL 500.249(a) and 500.2003, as set forth above, Respondent has provided justification for sanctions under Section 1239(2)(e) of the Code, MCL 500.1239(2)(e).
10. Respondent knew or reasonably should have known that Section 1244(1) of the Code, MCL 500.1244(1), provides:
 - (1) If the director finds that a person has violated this chapter, after an opportunity for a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the director shall reduce the findings and decision to writing and shall issue and cause to be served on 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 director may order any of the following:
 - (a) Payment of a civil fine of not more than \$1,000.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the director may order the payment of a civil fine of not more than \$5,000.00 for each violation. An order of the director under this subsection must not require the payment of civil fines exceeding \$50,000.00. A fine collected under this subdivision must be turned over to the state treasurer and credited to the general fund of this 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
11. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, the refund of any overcharges, that restitution be

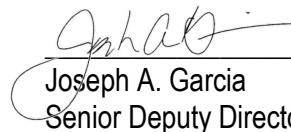
made to cover losses, damages or other harm attributed to Respondent's violation or violations of the Code, and/or other licensing sanctions, including revocation of licensure

IV. ORDER

Therefore, it is **ORDERED** that:

- A. Respondent is in default in this matter and all allegations contained in the Complaint regarding Respondent are accepted as true in all respects.
- B. Pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), Respondent shall **CEASE** and **DESIST** from violating the Code provision cited in this Order.
- C. Pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), Respondent shall pay a civil fine of \$1,000.00.
- D. Pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), the insurance producer license of Respondent Kvaughn Grier (System ID No. 0866858) is **REVOKED**.

Anita G. Fox, Director
For the Director:



Joseph A. Garcia
Senior Deputy Director and General Counsel