

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Grigory Proskurovsky
System ID #0213479

Enforcement Case No. 06-4938

Respondent
_____ /



Issued and entered
on 8/30/07, 2007
Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. At all pertinent times, Grigory Proskurovsky ("Respondent"), System ID #0213479, was a licensed resident insurance producer authorized to transact the business of insurance in the State of Michigan with qualifications in life, accident and health, property, and casualty insurance.
2. Respondent Proskurovsky further knew or had reason to know that Section 1239(1)(e) of the Michigan Insurance Code ("Code") provides that the Commissioner may revoke a producer's license for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
3. As a licensed resident producer, Respondent knew or had reason to know that Section 1239(1)(h) of the Code provides that the commissioner may place on probation, suspend, and revoke an insurance producer's license for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
4. As a licensed resident producer, Respondent knew or had reason to know that Section 2018 of the Code provides that an 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.

5. As a licensed resident producer, Respondent knew or had reason to know that Section 2103(1)(a) of the Code provides that "Eligible person", for automobile insurance, means a person who is an owner or registrant of an automobile registered or to be registered in this state or who holds a valid Michigan license to operate a motor vehicle. An "eligible person" does not include a person who is not required to maintain security pursuant to section 3101 of the Code, unless the person intends to reside in this state for 30 days or more and makes a written statement of that intention on a form approved by the commissioner.
6. The Office of Financial and Insurance Services ("OFIS") conducted an investigation after receiving information from [REDACTED] Special Investigation Unit Supervisor of North Pointe Insurance Company ("North Pointe") alleging Respondent fraudulently issued insurance to persons who would not otherwise be considered "eligible persons" under the law.
7. North Pointe conducted their own internal investigation of Respondent Proskurovsky and his clients when they noticed that claims were occurring in the State of New York shortly after the automobile insurance policy was issued. North Pointe researched the applications submitted by Respondent to North Pointe on behalf of his client and found substantial misrepresentations.
8. Respondent Proskurovsky wrote 179 personal automobile insurance policies with North Pointe. Below is a sampling of the applications submitted to North Pointe. In many cases, the named insured either did not own the vehicle, or the policy address did not reflect garaging of the vehicle. Furthermore, many of the applicants share the same address as the Respondent or with each other.
9. On or about July 8, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Co. The address on the application is [REDACTED]. The Secretary of State ("SOS") record for [REDACTED] vehicle shows the "vehicle out of state" and further states the driver license of [REDACTED] is under enforcement.
10. On or about August 3, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Co. The address on the application is [REDACTED]. The SOS record for [REDACTED] vehicle shows an address of: [REDACTED] Apt 320, Southfield, MI. The SOS cancelled the registration because the vehicle is in New York and registered in Massachusetts.
11. On or about August 19, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Co. The address on the application is [REDACTED].

- [REDACTED] Rd. Apt 320. M. [REDACTED]'s phone number is an Oklahoma area code of [REDACTED]. The vehicle is registered in the State of Pennsylvania.
12. On or about September 30, 2004 the Respondent completed an automobile application for [REDACTED] and [REDACTED] with North Pointe Insurance Co. The address on the application is [REDACTED]. Their Geo is registered in the State of Virginia and their Windstar has a Pennsylvania title.
 13. On or about September 30, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Company. The address on the application is [REDACTED]. The 2001 Dodge Caravan Station Wagon is titled in the State of New York and the driver license is under SOS enforcement. The license shows a Hamtramck, Michigan address with a P.O. Box for a mailing address.
 14. On or about October 3, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Company. The address on the application is [REDACTED]. The SOS records indicate that the 1999 Tahoe is titled in the State of New York.
 15. On or about September 30, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Company. The telephone number given on the application has been confirmed by North Pointe to be a Brooklyn, New York phone number. A claim was filed for an accident that occurred in New York on October 6, 2004. The driver, [REDACTED] is not on the policy.
 16. On or about August 6, 2004, the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Company. The application is not signed by [REDACTED] but by [REDACTED]. There is an "Appointment of Agent" form signed by someone purported to be [REDACTED] giving [REDACTED] authority to sign his name on documents pertaining to the sale or purchase of his 2000 Dodge Neo. The vehicle was involved in an automobile accident in New York giving this policy exposure to a BI claim. All occupants fled the scene of the accident, driver unidentified. Neither the NYPD nor Farmington Hills PD were able to find anyone named [REDACTED] in Brooklyn, NY or Michigan.
 17. On or about January 23, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Company. The vehicle insured is titled in the State of New York and the driver's license of this applicant was cancelled by Michigan Secretary of State for fraudulent information as to a material matter on April 8, 2005.
 18. On or about May 17, 2004 the Respondent completed an automobile application for [REDACTED] with North Pointe Insurance Company. According to SOS records, the 1996 Chevrolet Caprice insured for [REDACTED] is owned by [REDACTED] and is titled in New York.

19. On or about February 12, 2004 the Respondent completed an automobile application for insurance with North Pointe Insurance Company. The vehicle inspection form indicates the 1997 Ford Super Wagon was in "good" condition. The form is signed by the Respondent and [REDACTED]. One month later, the vehicle was reported stolen and later recovered. Inspection of the vehicle showed it had been a Wayne County transport vehicle with the cage and bench still in it. It had been used by a roofing company after Wayne County. The vehicle's interior and exterior showed obvious signs of damage or disrepair.
20. By misrepresenting the garaging address of the applicant, Respondent Proskurovsky was able to issue insurance to persons who would not otherwise be considered "eligible persons" under the law.
21. Section 2103(1) of the Code states that an eligible person means a person who is an owner or registrant of an automobile registered or to be registered in this state or holds a valid Michigan driver license. The people listed above did not meet the definition of an eligible person as defined in Section 2103(1) of the Code.
22. By making misrepresentations on an application of insurance for the purpose of obtaining a commission, fee or benefit from an individual, Respondent Proskurovsky violated Sections 1239(1)(e) and 2018 of the Code.
23. By making misrepresentations on an application of insurance Respondent Proskurovsky demonstrated his use of fraudulent or dishonest practices, and untrustworthiness in the conduct of business in the State of Michigan in violation of Section 1239(1)(h) of the Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondents' stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 1239(1), 2018, and 2103 of the Insurance Code.
2. Respondent shall pay to the State of Michigan a civil fine of Five Thousand Dollars (\$5,000.00). Upon execution of this Order, OFIS will send Respondent an Invoice for the civil fine, which shall be due within 30 days of issuance of the Invoice.
3. Respondent shall make restitution to North Pointe Insurance Company to cover incurred losses or damages attributable to acts of the Respondent's violation of the Michigan Insurance Code.

4. Respondent's insurance producer license and authority is hereby **REVOKED**.

Frances K. Wallace

Frances K. Wallace
Chief Deputy Commissioner

Dated: 8/30/07

C. STIPULATION

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.



Grigory Proskurovsky
System ID #0213479

Dated: 08.23.07

The Office of Financial and Insurance Services staff approves this stipulation and recommends that the Commissioner issue the above consent order.

William R. Peattie

William R. Peattie
Staff Attorney

Dated: 8/30/07