

**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. 17-14984  
Agency No. 20-049-L**

Petitioner,

**v**

**Alicia Holbrook**

System ID No. 0253485

Respondent.

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**Issued and entered  
on December 21, 2020  
by Randall S. Gregg  
Senior Deputy Director**

**FINAL DECISION**

**I. Background**

Alicia Holbrook (Respondent) is a licensed insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to remit her customer's premium payments to whom they were owed and engaged in dishonest practices. After investigation and verification of the information, on September 3, 2020, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239 and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On October 27, 2020, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address s/he is required to maintain with DIFS. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to respond or take any action.

On December 1, 2020, DIFS Staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. The Administrative

Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

## II. Findings of Fact and Conclusions of Law

1. Respondent is a licensed resident insurance producer, with qualifications in casualty and property, and Respondent was the designated licensed responsible producer (DRLP) and owner of Holbrook Insurance Agency, LLC (HIA). Her license is currently active. HIA's license is currently revoked as a result of Enforcement Case No. 17-14757.

### Plastics Portfolio Inc.

2. On February 26, 2016, Respondent sold a professional liability policy, policy [REDACTED] to Plastics Portfolio, Inc. (PPI) for a total premium amount of \$1,176.00. The insurer was Scottsdale Indemnity Company (SINC). The policy period was from February 26, 2016, to February 26, 2017.
3. PPI paid Respondent in full for the policy on or about February 26, 2016. However, SINC never received any premium payment from the payment PPI remitted to Respondent.
4. On April 30, 2016, the policy canceled for nonpayment of premium.
5. PPI did not receive a cancellation notice and, therefore, was unaware that the policy had been canceled.
6. On or about March 06, 2017, Respondent sent PPI an invoice for renewal of the policy. PPI subsequently sent a check to Respondent for the full amount. The memo section of the check read [REDACTED] Legal/Liability/Plastics Por." The memo section of the check incorrectly referenced policy [REDACTED], which was an older policy from 2015-2016. This information further indicates that PPI was unaware that policy [REDACTED] had cancelled for nonpayment.
7. SINC never received any premium payment from the payment PPI remitted to Respondent on or about March 6, 2017.
8. When interviewed by DIFS' Investigator, Respondent incorrectly stated that policy [REDACTED] expired in February 2017, did not renew, and she had no policy documents to correlate with the payment received on March 06, 2017.

### NEPSC, Inc.

9. On February 27, 2016, Respondent sold a professional liability policy to NEPSC, Inc. for a total premium amount of \$1,260.00 (with fees \$1,407.63). The insurer was SINC, policy [REDACTED].
10. On February 27, 2017, the policy did not renew and a request for renewal was not received by SINC.
11. However, on February 27, 2017, NEPSC, Inc. paid Respondent \$1,500.00 after Respondent sent an invoice for the policy renewal. The memo section of the check said "policy-Scottsdale [REDACTED]."

12. Respondent reported the policy expired in February 2017, did not renew, and that she had no policy documents to correlate with the payment received on February 27, 2017.

**B & Z Plastics, Inc.**

13. On March 9, 2016, Respondent sold a professional liability policy to B & Z Plastics, Inc. Policy [REDACTED] was issued by SINC for a total premium amount of \$1,134.00.
14. On March 9, 2017, the policy did not renew and a request for renewal was not received by SINC.
15. On March 20, 2017, B & Z Plastics, Inc. paid Respondent \$1,500.00 after Respondent sent an invoice for the policy renewal.
16. Respondent reported the policy expired in March 2017 and did not renew. She had no policy documents to correlate with the payment received on March 20, 2017.

**Polymer South, Inc.**

17. On March 18, 2016, Respondent sold a professional liability policy to Polymer South, Inc. (PSI). Policy [REDACTED] was issued by SINC for a total premium amount of \$1,092.00.
18. On March 18, 2017, the policy did not renew and no request for renewal was received by SINC.
19. On March 9, 2017, PSI paid Respondent \$1,500.00 after Respondent sent an invoice for the policy renewal.
20. Respondent reported the policy expired in March 2017 and did not renew. She had no policy documents to correlate with the payment received on March 9, 2017.
21. As demonstrated in the transactions for PPI, NEPSI, Inc., B & Z Plastics, Inc., and PSI in paragraphs 2-20, above, by failing to remit payment to the insurer in a timely manner and failing to use reasonable accounting methods to record funds received in her fiduciary capacity, including the receipt and distribution of all premiums due to each of her insurers, Respondent violated MCL 500.1207(1) and (2).
22. As demonstrated in the transactions for PPI, NEPSI, Inc., B & Z Plastics, Inc., and PSI in paragraphs 2-20 above, by improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business and using fraudulent, coercive, dishonest practices and demonstrating untrustworthiness and financial irresponsibility in the conduct of business in this state or elsewhere, Respondent acted in a manner, providing justification for sanctions pursuant to MCL 500.1239(1)(b), (g) and 2(e).

**Virtual Engineering**

23. On September 1, 2016, Respondent wrote a professional liability policy for Virtual Engineering (VE). Certificate [REDACTED] was issued by Lloyd's of London for a total premium amount of \$14,410.00.

24. On September 1, 2016, VE paid for the policy in full via a check to HIA.
25. On September 16, 2016, a premium finance agreement was sent to Capital Premium Finance (CPF). The contract lists the insured as VE with Respondent's business address for a total premium amount of \$14,410.00, total financed amount of \$10,762.50, and a down payment amount of \$3,647.50. The contract bears the signature of Dan Blastima.
26. Respondent's signature appears on the agent signature line on the premium finance contract.
27. On November 21, 2016, the policy was canceled due to non-payment.

#### **Pet Calls**

28. On November 10, 2016, Pet Calls (PC) purchased a professional liability policy from Respondent. Policy [REDACTED] was issued by Evanston Insurance Company (Evanston) for a total premium of \$2,500.00.
29. On November 30, 2016, PC paid Respondent \$700.63 for the policy.
30. On January 19, 2017, PC paid Respondent \$400.37 for the policy.
31. The policy canceled on January 26, 2017, for nonpayment of premium.
32. On March 03, 2017, the surplus lines agent, Arlington/Roe, paid \$500.00 to Evanston, which was the total premium it had received from Respondent on the policy.

#### **Diversified Security Solutions**

33. On November 23, 2016, Respondent wrote two policies for Diversified Security Solutions (DSS), commercial general and excess liability. Policy [REDACTED] and [REDACTED] were both issued by Scottsdale Insurance Company (Scottsdale) with a total premium of \$6,300.00.
34. On November 23, 2016, DSS paid Respondent \$1,859.38 for the premium for the policies. Respondent failed to remit any of the premium to Scottsdale.
35. On February 20, 2017, Respondent's assistant signed a premium finance contract on the policies for a total premium amount of \$6,702.50, total financed amount of \$4,841.50, and down payment amount of \$1,861.00, which was remitted electronically to Insta-Prem Finance (IPF).
36. On February 24, 2017, both policies canceled due to nonpayment.
37. On February 28, 2017, the loan was canceled by IPF because the policies had canceled.
38. On March 1, 2017, IPF refunded the \$1,861.00 down payment to Respondent (check #30346).

**Walter, Boesky and Associates**

39. On December 4, 2016, Respondent wrote a professional liability policy for Walter, Boesky and Associates (WBA). Policy [REDACTED] was issued by Argonaut Insurance Company for a total premium amount of \$2,965.00.
40. On December 7, 2016, WBA paid Respondent \$2,965.00 for the policy, but the funds were not subsequently remitted to the surplus lines agent.
41. Respondent still owes the entire premium amount to the surplus lines agent.

**Kerby's Kurb Service**

42. On December 13, 2016, Respondent wrote a garage keepers and liability policy for Kerby's Kurb Service (KKS). Policy [REDACTED] was issued by United Specialty Insurance Company (USIC) for a total premium of \$20,744.23.
43. On December 13, 2016, KKS paid Respondent \$4,800.00 to initiate the policy.
44. Respondent failed to remit the premium money, and the policy was canceled on March 25, 2017.
45. From December 13, 2016, to May 26, 2017, KKS paid Respondent monthly payments, totaling \$14,208.65, none of which were not remitted to USIC.
46. KKS stated it purchased a workers' compensation policy from Respondent. Accident Fund General Insurance Company insured KKS for a total premium of \$3,071.00.
47. KKS stated it paid for part of the workers compensation policy in its March payment and was under the impression the policy was in-force.
48. Accident Fund General Insurance Company stated that the workers compensation policy was never an in-force policy and no money was remitted for it.
49. On July 31, 2017, during an interview at her office in Howell, MI, Respondent admitted to a DIFS' investigator that she owed money to KKS for what it had paid to HIA. Respondent also admitted, "he was sending in money each month and no one knew what it was for." Respondent further admitted that no one from HIA called the insured about the payments. She, nevertheless, continued to deposit KKS' premium money into her bank account.

**JR, Inc.**

50. On March 10, 2017, JR paid Respondent \$1,500.00 to renew the professional liability policy for his company, JR, Inc. The policy was scheduled to be renewed on March 18, 2017.
51. JR made multiple calls and sent several emails to Respondent requesting the status of the renewal and a copy of the policy. Respondent was only giving excuses for continued delays. Although JR's

check was cashed by Respondent, a copy of the policy was not provided to him. The renewal policy was never placed by Respondent.

52. As demonstrated in the transactions for VE, PC, DSS, WBA, KKS, and JR, Inc. in paragraphs 23-51 above, by receiving premium, failing to remit it to whom it was owed and failing to hold the premium in a fiduciary capacity, Respondent violated MCL 500.1207(1), engaged in dishonest practices, and acted in an untrustworthy manner, providing justification for sanctions pursuant to MCL 500.1239(1)(b), (g) and 2(e).

### **Commerce Hospitality**

53. On December 6, 2013, a premium finance agreement was sent to IPF for a total premium amount of \$13,475.00, total financed amount of \$10,106.25, and down payment amount of \$3,368.75. The contract lists the insured as Hampton Inn, Commerce MI with Respondent's address. The contract bears the signature of BB.
54. The agreement was for umbrella policy [REDACTED] with Fireman's Fund (FF) insuring several hotel locations effective from September 1, 2013, through September 1, 2014. The premium was paid directly to the general agent, Southern Hospitality Underwriters (SHU).
55. Respondent used a general agent because the policy is a surplus lines policy, and she is not licensed to write surplus lines policies. Respondent has written an annual umbrella policy for Commerce Hospitality (CH) since September 2013.
56. The December 6, 2013, premium finance contract was repaid in full by Respondent.
57. On October 23, 2015, a premium finance agreement was sent to CPF for a total premium amount of \$28,008.00, total financed amount of \$20,818.50, and down payment amount of \$7,189.50. The contract lists the insured as CH with Respondent's address. The contract bears the signature of Mr. Bacall.
58. The agreement was for umbrella policy [REDACTED] with FF insuring several hotel locations effective from September 1, 2015, through September 1, 2016. The premium was paid directly to SHU.
59. Respondent repaid the premium finance contract in full.
60. On September 12, 2016, a premium finance agreement was sent to CPF for total premium amount of \$23,750.00, total financed amount of \$17,625.00, and down payment amount of \$6,125.00. The contract lists the insured as CH. The contract has the purported signature of BB.
61. The agreement was for umbrella policy [REDACTED] with FF insuring several hotel locations effective from September 1, 2016, through September 1, 2017. The premium was paid directly to SHU.
62. Respondent failed to repay this premium finance contract in full.

63. From December 2013 to December 22, 2016, the premium finance companies (IPF and CPF) sent several notices for cancellation to the insurer with intent to cancel due to non-payment of each of the above premium finance contracts. Each time, Respondent would make a premium payment to prevent cancellation or to get reinstatement of the policy without the knowledge of CH.
64. The last policy, policy [REDACTED], was canceled without reinstatement on December 22, 2016, due to non-payment to the premium finance company by Respondent.
65. On July 13, 2017, the owner of CH, MB, reported that he had never financed an insurance policy and always paid in full via checks at the annual renewal of the umbrella policy. MB reported the signature of BB (his brother) had been forged.
66. Respondent's signature appears on the agent signature line on each of the premium finance contracts.

**Instream PM, Inc.**

67. On September 22, 2016, Respondent wrote a commercial liability, property, and inland marine policy for Instream PM, Inc. (IPM). Policy [REDACTED] was issued by USIC with a total premium amount of \$8,801.00 (with taxes \$9,077.90).
68. On September 26, 2016, IPM paid for the policy in full via a check made payable to HIA in the amount of \$9,077.90.
69. On September 29, 2016, a premium finance agreement was sent to CPF. The contract lists the insured as "Instream PM/K-4, Inc." for a total premium amount of \$9,077.90, total financed amount of \$6,669.67, and down payment amount of \$2,408.23. The contract has the purported signature of SK, owner of IPM.
70. Respondent's signature appears on the agent signature line of the premium finance contract.
71. On December 12, 2016, the policy was canceled due to non-payment of premium to the finance company.
72. On June 12, 2017, IK, on behalf of SK, stated they had never financed an insurance policy and they always paid their policies in full. He explained he received correspondence from CPF on a regular basis asking for payment, and he would contact Respondent's assistant and she would tell him it was paid.
73. As demonstrated in the transactions for CH and IPM in paragraphs 53-72 above, by forging and/or failing to verify the customer's signature on the premium finance agreement, Respondent engaged in dishonest practices and acted in an untrustworthy manner, providing justification for sanctions pursuant to MCL 500.1239(1)(g) and (h).
74. As demonstrated in the transactions for CH and IPM in paragraphs 53-72 above, by receiving premium, failing to remit it to whom it was owed, and failing to hold the premium in a fiduciary capacity, Respondent violated MCL 500.1207(1), engaged in dishonest practices, and acted in an

untrustworthy manner, providing justification for sanctions pursuant to MCL 500.1239(1)(b), (g) and 2(e).

#### **Customer FA**

75. On April 10, 2017, customer FA called Respondent to add a newly purchased vehicle to his auto policy, a 2017 Cadillac. At the time of the phone call, FA was at the dealership in the process of purchasing the vehicle.
76. On April 10, 2017, Respondent faxed a certificate of insurance to the dealership so FA would be able to drive the vehicle off the lot. The certificate listed the insurer as Michigan Millers (MM), policy [REDACTED]
77. On April 17, 2017, Mr. Asmar's wife was in an auto accident. FA attempted contact with Respondent regarding the auto accident and coverage for the vehicle. She advised him to have the dealership fix the vehicle and the insurance would pay for the repairs.
78. FA had the dealership repair the vehicle as instructed by Respondent and was later informed he did not have coverage with MM policy [REDACTED] and that it had expired on January 8, 2017.
79. On July 28, 2017, MM advised a DIFS' investigator that policy [REDACTED] had been in-force from January 8, 2016, through January 8, 2017, as a direct pay from the insured and that FA was not a named insured on the policy. The coverage was not renewed on January 8, 2017, due to underwriting reasons.
80. MM also advised a DIFS' investigator that the April 10, 2017, certificate did not appear to have been issued by it and that its agent may have issued a fraudulent certificate.
81. By providing a certificate of insurance to FA knowing the policy had expired and was not in-force, Respondent violated MCL 500.2271(a) and MCL 500.4503(c) and (g)(i), engaged in fraudulent and dishonest practices, and acted in an untrustworthy manner, providing justification for sanctions pursuant to MCL 500.1239(1)(f), (g) and 2(e).

#### **Failing to update address**

82. As the result of a complaint and subsequent investigation against HIA, DIFS learned that Respondent changed her address of record without notifying DIFS.
83. On or about, December 15, 2017, a notice that had been sent to Respondent by DIFS and was returned by the United States Postal Service marked "unable to deliver - return to sender."
84. Pursuant to MCL 500.1238, a licensee is required to keep her/his/its address of record current with DIFS and notify DIFS of any change within 30 days of the change.
85. By failing to notify DIFS of the address change within 30 days of the change, Respondent violated MCL 500.1238.



### Customer CW

86. On or about September 11, 2018, Respondent became an associate insurance producer for Hebert, RR Agency, Inc. Queen Hebert is the DRLP for the agency.
87. On April 15, 2019, customer CW had issued a check to JRT Investments, Respondent's company, in the amount of \$5,808.00 that was intended as an insurance premium payment for a Progressive Michigan Insurance Company (Progressive) policy. However, the funds were not paid to Progressive in a timely manner. Respondent's appointment with Progressive had been cancelled on April 4, 2018.
88. On June 27, 2019, Gregory Hebert (Queen Hebert's son and assistant) provided DIFS' investigator a copy of a termination letter that Hebert, RR Agency, Inc.'s attorney, had sent to Respondent that details discrepancies and misappropriations of additional checks that were issued by customers.
89. On July 2, 2019, Progressive provided DIFS' investigator with a list of all new business submitted by Hebert, RR Agency, Inc., since January 1, 2019. Queen Hebert was listed as the producer for each policy. Collette Williams was included in the list.
90. By soliciting, negotiating, and selling insurance policies without being properly appointed by the insurer, Respondent has violated MCL 500.1208a(1).
91. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.
92. On September 3, 2020, a Notice of Opportunity to Show Compliance was mailed by first class mail to Respondent at her mailing address of record, which she is required, per the Code, to keep current with DIFS. No response was received, and the mail was not returned by the United States Postal Service.
93. On October 27, 2020, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address s/he is required to maintain with DIFS. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to respond or take any action.
94. On December 1, 2020, DIFS staff filed a Motion for Final Decision. Respondent did not file a reply to the motion.
95. DIFS staff have made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2).
96. Respondent has received notice and has been given an opportunity to respond and appear and has not responded nor appeared.
97. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

### III. Order

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

1. Respondent shall **CEASE** and **DESIST** from violating the Code.
1. Respondent shall immediately **CEASE** and **DESIST** from engaging in the business of insurance.
2. Pursuant to MCL 500.1207, MCL 500.1208, MCL 500.1238, MCL 500.2271, MCL 500.4503; and, MCL 500.150, MCL 500.1239, MCL 500.1244(1), MCL 500.1952, and MCL 500.2277, Respondent's resident insurance producer license (System ID No. 0253485) is **REVOKED**.

Anita G. Fox, Director  
For the Director:



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Randall S. Gregg  
Senior Deputy Director