

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Ashtali Karasingh**  
System ID No. 0182448

**Enforcement Case No. 17-14854**

**All Insurance Service Agency, LLC**  
System ID No. 0103364

Respondents.

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Issued and entered  
on Sept. 4, 2019  
by **Teri L. Morante**  
Chief Deputy Director

**ORDER ACCEPTING STIPULATION**

Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Chief Deputy Director finds and concludes that:

1. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondents have provided justification under Sections 1207(1) and (2), 1239(1)(b), (d), and (h), 1905 and 1910 of the Code, MCL 500.1207(1) and (2), 500.1239(1)(b), (d), and (h), 500.1905, and 500.1910 for the Director to order licensing sanctions, order restitution be made to insureds or insurers to cover incurred losses, damages, or other harm attributable to the acts of Respondents found to be in violation of the Code, and levy a civil fine against Respondents, pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), due to Respondents' failure to act as a fiduciary of money received or to use reasonable accounting methods to record funds received in their fiduciary capacity including the receipt and distribution of all premiums due each of their insurers, and failure to comply with the reporting requirements and diligent search requirements of Chapter 19.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

6. Respondents shall cease and desist from operating in a manner that violates Sections 1207, 1905, and 1910 of the Code, MCL 500.1207, 500.1905, and 500.1910.
7. Respondents shall immediately implement reasonable accounting methods to properly record funds received in their fiduciary capacity in compliance with Section 1207 of the Code, MCL 500.1207, as provided in the Stipulation to Entry of Order.
8. Respondents shall immediately employ a person, accountant, or Certified Public Accountant to handle all the required accounting procedures and provide DIFS with written procedures meeting all the above-listed criteria for review within 60 days of issuance and entry of this Order.
9. Unless not available from an insurance company, Respondents shall conduct its insurance business operations on a direct billing basis, where the insurance company bills the insured directly and the insured sends premium payments directly to the insurance company.
10. If Respondents receive any insurance premium from an applicant or an insured or money from an insurance company due to a cancellation or other policy changes, Respondents shall remit the money to the insurance company or an insured within 30 days of receipt of the money.
11. Within 60 days of the issuance and entry of this Order, Respondents shall complete a financial audit of its business operations with [REDACTED] for 2014 and 2015 to determine if a refund of any premium money is owed [REDACTED].
  - A. Upon completion of the audit, Respondents shall send a copy of the audit and all relevant worksheets to DIFS.
  - B. Within 30 days of receipt of the audit and worksheets, DIFS shall complete a review of the audit and worksheets.
  - C. If a refund is owed [REDACTED], Respondents shall send a refund check to [REDACTED] within 14 days after notice from DIFS.
12. Within 60 days of the issuance and entry of this Order, Respondents shall complete a financial audit of its business operations with [REDACTED] for 2014 and 2015 to determine the amount of premium collected and taxes owed to the State of Michigan and if the correct premiums and taxes were reported and/or paid on Respondents' 2014-1, 2014-2, 2015-1, and 2015-2 surplus lines semi-annual reports.
  - A. Upon completion of the audit, Respondents shall send a copy of the audit and all relevant worksheets to DIFS.
  - B. Within 30 days of receipt of the audit and worksheets, DIFS shall complete a review of the audit and worksheets.

- C. If the audit determines incorrect premium and/or taxes were reported, Respondents shall file an amended semi-annual report and pay any additional taxes within 14 days after notice from DIFS.
13. Respondents shall comply with all requirements of Chapter 19 of the Code, including but not limited to:
- A. The proper reporting of policy premiums and taxes owed, and the timely filing of the semi-annual reports. Section 1905(3)(d) of the Code, MCL 500.1905(3)(d).
  - B. The verification that an insurance producer and agency are licensed insurance surplus line producers before soliciting or purchasing a surplus lines policy from the insurance producer or agency. Section 1905(1) of the Code, MCL 500.1905(1).
  - C. Conduct a diligent search of authorized insurance companies which Respondents have an appointment and retain documentation of the search before selling a person a surplus lines policy. Section 1910 of Code, MCL 500.1910.
14. Respondents shall not pay any insurance premium, including earned premium after the cancellation of a surplus line policy, on behalf of an applicant or an insured.
15. Respondents shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$4,000.00. Respondents shall pay two (2) payments of \$2,000.00 over a 60-day period. Respondents further agree to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
16. If Respondents fail to pay the fines and/or fees in accordance with the terms of this Stipulation and the Order, the fines and/or fees shall immediately increase to the maximum amount allowed under the Code and shall be immediately due in full, and Respondents' licenses shall be suspended until the fine is paid.
17. If Respondents fail to comply with paragraphs 6 -14 of this Order, and after notice of non-compliance, all licenses held under the Code by Respondents shall be automatically suspended, until Respondents can show compliance with the paragraph(s) at issue.
18. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Code. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.

  
Teri L. Morante  
Chief Deputy Director

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Ashtali Karasingh**  
System ID No. 0182448

**Enforcement Case No. 17-14854**

**All Insurance Service Agency, LLC**  
System ID No. 0103364

Respondents.

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**STIPULATION TO ENTRY OF ORDER**


Respondent Ashtali Karasingh (Karasingh) System ID No. 0182448 and Respondent All Insurance Service Agency, LLC (All Insurance) System ID No. 0103364 stipulate to the following:

1. On or about November 8, 2017, the Department of Insurance and Financial Services (DIFS) served Respondents with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. Specifically, the NOSC contained allegations that Respondents violated Sections 1207, 1905, and 1910 of the Code, MCL 500.1207, 500.1905, and 500.1910.
3. Respondents and DIFS conferred for the purpose of resolving this matter.
4. Respondents exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
5. At all pertinent times, Respondent Karasingh was licensed with DIFS as an insurance producer and surplus lines producer pursuant to the Code.
6. At all pertinent times, Respondent All Insurance Service was licensed with DIFS as an insurance producer and surplus lines producer pursuant to the Code.
7. All parties have complied with the procedural requirements of the APA and the Code.
8. Respondents agree that they will cease and desist from operating in a manner that violates Sections 1207, 1905, and 1910 of the Code, MCL 500.1207, 500.1905, and 500.1910.
9. Respondents agree to immediately implement reasonable accounting methods to properly record funds received in their fiduciary capacity in compliance with Section 1207 of the Code, MCL 500.1207. The accounting procedures should meet the minimum criteria listed below:

- A. Premium funds are kept in a premium bank account separate from Respondents' business operating funds;
  - B. All customer payments are recorded in a complete and accurate manner;
  - C. All customer payments can be traced to matching deposits in Respondents' premium bank account, payments to insurers or insurance agencies, and matching policies;
  - D. Refunds to insureds are recorded in a complete and accurate manner. Procedures are in place to ensure any refunds will be issued to insureds within 30 days after funds are received by Respondents from insurers, insurance agencies, or premium finance companies;
  - E. All customers' transactions are recorded in a complete and accurate manner. Copies of application forms, policy declaration pages, policy binders, receipts of premium payments, company and agency invoices, signed premium finance contracts and premium remittance are maintained on a customer-by-customer basis, either electronically or physically.
  - F. Account reconciliations are performed monthly to identify any incorrect charges to the insureds or incorrect/missing payments to the insurers or insurance agencies. Immediately refund any overcharges to insureds;
  - G. All records are maintained in a manner which is accessible and open to examination by the Director. Respondents shall produce all records for inspection, when requested.
10. Respondents agree to immediately employ a person, accountant, or Certified Public Accountant to handle all the required accounting procedures and provide DIFS with written procedures meeting all the above-listed criteria for review within 60 days of issuance and entry of this Order.
11. Unless not available from an insurance company, Respondents agree to conduct its insurance business operations on a direct billing basis, where the insurance company bills the insured directly and the insured sends premium payments directly to the insurance company.
12. If Respondents receive any insurance premium from an applicant or an insured or money from an insurance company due to a cancellation or other policy changes, Respondents agree to remit the money to the insurance company or an insured within 30 days of receipt of the money.
13. Within 60 days of the issuance and entry of this Order, Respondents agree to complete a financial audit of its business operations with [REDACTED] for 2014 and 2015 to determine if a refund of any premium money is owed [REDACTED].
- A. Upon completion of the audit, Respondents agree to send a copy of the audit and all relevant worksheets to DIFS.

- B. Within 30 days of receipt of the audit and worksheets, DIFS agrees to complete a review of the audit and worksheets.
  - C. If a refund is owed [REDACTED], Respondents agree to send a refund back to [REDACTED] within 14 days after notice from DIFS.
14. Within 60 days of the issuance and entry of this Order, Respondents agree to complete a financial audit of its business operations with [REDACTED] for 2014 and 2015 to determine the amount of premium collected and taxes owed to the State of Michigan and if the correct premiums and taxes were reported and/or paid on Respondents' 2014-1, 2014-2, 2015-1, and 2015-2 surplus line semi-annual reports.
- A. Upon completion of the audit, Respondents agree to send a copy of the audit and all relevant worksheets to DIFS.
  - B. Within 30 days of receipt of the audit and worksheets, DIFS agrees to complete a review of the audit and worksheets.
  - C. If the audit determines incorrect premium and/or taxes were reported, Respondents agree to file amended semi-annual reports and pay any additional taxes within 14 days after notice from DIFS.
15. Respondents agree to comply with all requirements of Chapter 19 of the Code, including but not limited to:
- A. The proper reporting of policy premiums and taxes owed, and the timely filing of the semi-annual reports. Section 1905(3)(d) of the Code, MCL 500.1905(3)(d).
  - B. The verification that an insurance producer and agency are licensed insurance surplus line producers before soliciting or purchasing a surplus lines policy from the insurance producer or agency. Section 1905(1) of the Code, MCL 500.1905(1).
  - C. Conduct a diligent search of authorized insurance companies which Respondents have an appointment with and retain documentation of the search before selling a person a surplus lines policy. Section 1910 of Code, MCL 500.1910.
16. Respondents agree to not pay any insurance premium, including earned premium after the cancellation of a surplus lines policy, on behalf of an applicant or an insured.
17. Respondents agree that they will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$4,000.00. Respondents shall pay two (2) payments of \$2,000.00 over a 60-day period. Respondents further agree to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
18. Respondents have had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.

19. Respondents understand and agree that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
20. Respondents understand and agree that the Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondents waive the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondents waive any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
21. It is further stipulated that failure to comply with the Order of the Director accepting this settlement by failing to comply with paragraphs 8-16, as set forth above and after notice of non-compliance, shall result in the automatic suspension of all licenses held under the Code by Respondents, until Respondents can show compliance with the paragraph(s) at issue.
22. It is further stipulated that the amount of fines and/or fees has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said fines and/or fees. Should Respondents fail to pay the fines and/or fees in accordance with the terms of this Stipulation and the Director's Order, the parties agree that an action will commence to determine if Respondents have, in fact, failed to pay, and, if so, Respondents agree that the fines and/or fees will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondents' license(s) shall be suspended until the fine is paid.

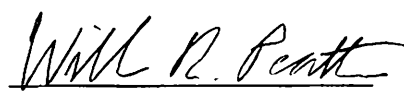
  
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Ashtali Karasingh  
System ID No. 0182448

09-03-19  
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Date

  
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Authorized Representative of  
All Insurance Service Agency, LLC  
System ID No. 0103364

09-03-19  
\_\_\_\_\_  
Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.

  
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William R. Peattie (P48004)  
DIFS Staff Attorney

9/3/19  
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Date