

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**ALIA BAHOORA
System ID No. 0238628**

**ENFORCEMENT CASE NOS. 14-11986,
14-12155 and 14-12271**

**ALIA and REVA LLC
d/b/a ASSURITY INSURANCE AGENCY I
System ID No. 0096759**

**ALIA and REVA LLC, II
d/b/a ASSURITY INSURANCE AGENCY II
System ID No. 0097427**

**ASSURITY INSURANCE AGENCY III, LLC
System ID No. 0099212**

**ASSURITY INSURANCE AGENCY IV, LLC
System ID No. 0099214**

Respondents.

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Issued and entered
on February 3, 2015
By Teri L. Morante
Chief Deputy Director

**ORDER OF SUMMARY SUSPENSION, NOTICE OF OPPORTUNITY FOR HEARING,
AND NOTICE OF INTENT TO REVOKE**

Pursuant to the Section 1242 of the Michigan Insurance Code (Code), MCL 500.1242, and Section 92 of the Michigan Administrative Procedures Act (APA), MCL 24.292, and based upon the attached FINDINGS, including that public health, safety and welfare requires emergency action,

IT IS THEREFORE ORDERED that:

1. The resident insurance producer's licenses and authorities of Respondents are **SUMMARILY SUSPENDED**.
2. A copy of this Order shall be immediately served upon Respondents. This order shall be effective as to any such Respondent upon the date of service.

3. If requested by Respondents, a hearing on this matter shall be held within a reasonable time, but not later than 20 calendar days after service of this Order, unless Respondents request a later date. The hearing shall address the following issues:
 - a. Whether the suspension should be continued or withdrawn.
 - b. Whether Respondents' licenses should be revoked.
4. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System shall preside over any such hearing.
5. The Director retains jurisdiction of the matters contained within and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.


Teri L. Morante
Chief Deputy Director

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Pursuant to Executive Order 2013-1 the Director has assumed the statutory authority and responsibility, granted to the Commissioner by the Insurance Code of 1956, MCL 500.100 *et seq.*, to exercise general supervision and control over persons transacting the business of insurance in Michigan.

I. Findings of Fact

2. Alia Bahooora (Bahooora) is a licensed resident insurance producer with qualifications in property, casualty, life and variable annuities, and is authorized to transact the business of insurance in Michigan.
3. Alia and Reva, LLC, *d/b/a* Assurity Insurance Agency 1 (*f/k/a* Assurity Insurance Agency I) (herein referenced as Assurity 1), System ID No. 0096759, is a licensed resident insurance producer agency with qualifications in property, casualty and life and is authorized to transact the business of insurance in Michigan. Assurity 1 engages in the business of insurance at 19290 Kelly Road, Harper Woods, MI 48225. Its Designated Responsible Licensed Producer (DRLP) is Bahooora. She is also a LLC member and the president of Assurity 1. According to DIFS' records, Bahooora is Assurity 1's only affiliated agent.
4. Alia and Reva LLC II, *d/b/a* Assurity Insurance Agency II (Assurity II), System ID No. 0097427, is a licensed resident insurance producer agency with qualifications in property

and casualty and is authorized to transact the business of insurance in Michigan. Assurity II engages in the business of insurance at 19290 Kelly Road, Harper Woods, MI 48225 and 16455 Harper Avenue, Detroit, MI 48224. Its DRLP and LLC member is Bahooora. According to DIFS' records, Bahooora is Assurity II's only affiliated agent.

5. Assurity Insurance Agency III, LLC, (Assurity III), System ID No. 0099212, is a licensed resident insurance producer agency with qualifications in property and casualty and is authorized to transact the business of insurance in Michigan. Assurity III engages in the business of insurance at 1123 East 11 Mile Road, Royal Oak, MI 48067. Its DRLP, president and LLC member is Bahooora. According to DIFS' records, Bahooora is Assurity III's only affiliated agent.
6. Assurity Insurance Agency IV, LLC, (Assurity IV), System ID No. 0099212, is a licensed resident insurance producer agency with qualifications in property and casualty and is authorized to transact the business of insurance in Michigan. Assurity IV engages in the business of insurance at 1123 East 11 Mile Road, Royal Oak, MI 48067 and 19292 Kelly Road, Harper Woods, MI 48225. Its DRLP and LLC member is Bahooora. According to DIFS' records, Bahooora is Assurity IV's only affiliated agent.
7. Simen Delly (Delly) is an employee at Assurity II and is not licensed to sell, solicit or negotiate insurance in the state of Michigan.
8. Linda N. Shunia (Shunia) is an employee at Assurity III and/or Assurity IV and is not licensed to sell, solicit or negotiate insurance in the state of Michigan.
9. In 2013, DIFS began an investigation into Respondents' business activities for unlicensed/unappointed activities, breach of fiduciary duty, and to substantiate allegations that Respondents used customer information to submit forged applications to a premium finance company in order to fully pay for insurance policies and generate full commissions on the sales. Respondents borrowed the funds using customers' information without their permission or knowledge. Respondents also exposed customers to liability for the borrowed funds and jeopardized the coverage provided under the customers' auto and commercial liability policies.
10. Based upon the information as set forth below, protection of the public health, safety, and/or welfare requires emergency action.

Simen Delly

11. DIFS Staff's investigation determined that Delly was soliciting automobile policies, accepting applications for insurance, discussing rates, offering advice on insurance coverages, and accepting premium money in exchange for certificates of insurance at Assurity insurance agencies.
12. Using the information DIFS obtained from third-parties, customers' records and customer interviews, DIFS Staff confirmed six insurance purchases over a three month period to

demonstrate that Delly solicited, sold and negotiated auto insurance at Assurity II without being properly licensed, including:

- a. On February 28, 2014, Delly provided KM with a quote for insurance for a vehicle and assisted with completing the insurance application for coverage to be placed through the Michigan Auto Insurance Placement Facility (MAIPF). According to KM, Delly advised that a payment of \$500 was owed to start the policy and that KM would be responsible for monthly payments. KM paid \$500 to Delly/Assurity II to cover the initial insurance premium and Delly provided a MAIPF State of Michigan Certificate of No-Fault Insurance as evidence that coverage was bound and effective on February 28, 2014.
- b. On March 6, 2014, Delly provided SD with a quote for insurance for a vehicle and assisted with completing the insurance application for coverage to be placed through the MAIPF. According to SD, Delly advised that for minimum no-fault coverage on the vehicle, a \$350 payment was owed to start the policy and that SD would be responsible for monthly payments of \$175. SD paid \$350 to Delly/Assurity II to go toward the insurance premium and Delly provided a MAIPF State of Michigan Certificate of No-Fault Insurance as evidence that coverage was bound and effective on March 6, 2014.
- c. On April 1, 2014 Delly provided BJ with a quote for insurance for two vehicles and assisted in completing the insurance application for coverage to be placed through the MAIPF. According to BJ, Delly advised that for full coverage on both vehicles a \$1,500 payment was owed to start the policy and BJ would be responsible for monthly payments of \$505. BJ paid \$1,500 to Delly/Assurity II to go toward the insurance premium and Delly provided a MAIPF State of Michigan Certificate of No-Fault Insurance as evidence that coverage was bound and effective on April 1, 2014.

Linda N. Shunia

13. DIFS Staff's investigation determined that Shunia was soliciting automobile policies, accepting applications for insurance, discussing rates, offering advice on insurance coverages, and accepting premium money in exchange for certificates of insurance at Assurity insurance agencies.
14. Using the information DIFS obtained from third-parties, customers' records and customer interviews, DIFS Staff confirmed five insurance purchases over a six month period that demonstrate that Shunia solicited, sold and negotiated auto insurance at Assurity III and IV without being properly licensed, including:
 - a. Between February 16, 2013, and May 18, 2013, VM visited Assurity III and/or Assurity IV on four separate occasions to purchase auto insurance for several vehicles owned by the family. During each visit, Shunia assisted VM with the insurance purchases. Shunia provided VM with quotes for insurance for the

- vehicles and assisted with completing the insurance applications for coverage to be placed through the MAIPF. According to VM, Shunia relayed the amount of the down payment owed to start the policies and that VM would be responsible for the monthly payments. VM made the down payments to Shunia/Assurity III and/or Assurity IV for insurance and Shunia provided State of Michigan Certificates of No-Fault Insurance as evidence that coverage was bound and effective on the dates of purchase. VM continued to make monthly payments to Shunia/Assurity III and/or Assurity IV as agreed.
- b. On July 8, 2013, RH visited Assurity III and/or IV to purchase auto insurance for a vehicle. During the visit, Shunia assisted RH with the insurance purchase. Shunia provided RH with quotes for insurance for the vehicle and assisted with completing the insurance application for coverage to be placed through the MAIPF. According to RH, Shunia advised that a \$421 payment was owed to start the policy. RH made the \$421 payment to Shunia/Assurity III and/or IV for insurance and Shunia provided a MAIPF State of Michigan Certificate of No-Fault Insurance as evidence that coverage was bound and effective on July 8, 2013.
15. In each transaction identified, the customer stated it was either Shunia or Delly who solicited the purchase of their auto insurance. Neither Shunia nor Delly are appointed by any insurer to solicit the purchase of any specific insurance product and were not eligible to place business through the MAIPF. However, Bahooora facilitated their unlawful conduct by signing the insurance application as the agent who solicited the purchase of insurance and certifying that she was the agent who provided the required disclosures and information about the MAIPF to the consumers even though she never met with them.
16. Credible evidence suggests that Bahooora provided Shunia and Delly with her user name and password in order to access insurers' databases, quote rates, submit insurance applications and bind coverage. For each policy sold by Shunia and Delly, Bahooora and/or Assurity 1, II, III and IV received a commission for the sale from the insurer.
17. Shunia and Delly were not appointed by any insurer to act as an agent of an insurer and bind coverage for an insurer. Nor were Shunia and Delly eligible to place insurance business with the MAIPF.
18. Through licensed and unlicensed representatives, Assurity II, Assurity III and Assurity IV solicited and bound insurance coverage without being properly appointed by any insurers that they purported to represent.

Surplus Lines

19. DIFS' investigation also found that Bahooora and Assurity IV acted as agents or brokers in the transaction of surplus lines insurance without being properly licensed to do so in the state of Michigan.

20. During 2012 and 2013, Bahooora, at Assurity IV, brokered three general liability commercial policies for two customers with Western World Insurance Company (WWIC) through Special Risks, an agency operating as a surplus lines broker. All three policies were surplus lines policies.
21. Bahooora was not appointed by WWIC to act as an agent of WWIC.
22. In May 2014, Bahooora admitted to DIFS Staff that she met with both customers and solicited the WWIC policies, explained the policies' terms, conditions and coverages provided, assisted the insureds with completing the applications and accepted the premium. Special Risks brokered the surplus lines insurance to the underwriter, WWIC. Bahooora and/or Assurity IV received commissions for the sales. Bahooora and Assurity IV's activities required state of Michigan surplus lines licensure and authorization and an appointment from WWIC, which neither held.
23. On or about September 19, 2013, representatives of NSBC, a not-for profit business, visited Assurity IV to purchase property and general liability insurance. Bahooora assisted NSBC representatives with the insurance purchase. Although neither Bahooora nor Assurity IV were licensed to engage in the business of surplus lines, Bahooora brokered a general liability commercial policy with WWIC through Special Risks.
24. The total premium due for NSBC's policy was \$6,602.20. Although Bahooora was not able to provide records of receiving NSBC's premium, she admitted she received a check from NSBC's representative for \$2,175 as a down payment towards the premium due for the policy and that she deposited the check into her account.
25. On or about January 18, 2014, NSBC's policy was cancelled for nonpayment. In response to a DIFS inquiry, Special Risks stated that it did not receive any payments for NSBC's policy. Neither Respondent Bahooora nor Assurity IV remitted NSBC's \$2,175 check to Special Risks or WWIC, or returned the check to NSBC.
26. Respondents Bahooora and Assurity IV received NSBC's \$2,175 check in the course of insurance business and failed to remit or return the check to whom it was owed in a timely manner. Bahooora and Assurity IV converted and/or misappropriated funds intended for insurance.
27. On or about July 24, 2014, HP phoned Assurity 1 to purchase commercial general liability insurance for a trucking company and automobile liability insurance. The agent who took the call provided the quote for both insurances and advised that \$7,400 was required to purchase the one year policy in full. The next day HP visited Assurity 1 to purchase the previously quoted policy. Bahooora assisted with the transaction. Although neither Bahooora nor Assurity 1 held active appointments with Grange Insurance, Bahooora solicited the purchase of a Grange Insurance policy.
28. Bahooora verbally told HP that \$7,400 was needed to purchase the policy in full and that no other options were available to HP except to pay for the policy in full. HP paid \$7,400

in cash to Bahoorra and/or Assurity 1. She provided a receipt of payment showing that "\$7,400" cash was paid.

29. Bahoorra and Assurity 1 provided HP with an ACORD Certificate of Liability indicating commercial general liability and automobile liability coverage was issued by Grange Insurance under policy numbers 2085716 and 2085716 with an effective date of 07/25/2014 and expiration date 07/25/2015. Grange has confirmed that no coverage was bound for HP. Unbeknownst to HP, Bahoorra had provided a fraudulent ACORD binder knowing she had not completed the steps necessary to bind the coverage. Instead, the premium was misappropriated to her personal use.
30. On July 27, 2014, HP visited Assurity 1 to cancel the Grange policy after finding cheaper insurance and requested a refund. Bahoorra told HP that the check would arrive in 7-10 days. When no check arrived HP called Grange to request the refund and was told neither HP nor the trucking company were insured by Grange. To date, neither Bahoorra nor Assurity 1 has refunded the money to HP.
31. DIFS Staff attempted to discuss HP's insurance transaction with Bahoorra and to obtain the records that are required by statute to be kept by Bahoorra and Assurity 1 documenting the insurance transaction. Neither Bahoorra nor Assurity 1 were able to provide a transaction file.
32. On June 28, 2013, DIFS also received a complaint from MM stating that Bahoorra and/or Assurity IV failed to refund \$23.85 that was received from WWIC as a return of unearned premium. Although Bahoorra and Assurity 1 had received the return of unearned premium in March 2013 it was not refunded to MM until July 2013, more than 4 months after Bahoorra and Assurity 1 received the refund, and only after MM complained to DIFS.

Failure to Keep Accurate Records; Breach of Fiduciary Duty; Conversion

33. DIFS' investigation also determined that Respondents received premium payments and other money in the course of insurance business and failed to remit and/or refund the monies to the person or insurer to which it was owed.
34. DIFS' investigation determined that Respondents failed to use reasonable accounting methods to record funds received in their fiduciary capacity and failed to maintain complete records of insurance transactions.
35. On February 16, 2013, VM visited Assurity IV to purchase insurance for a Chevy and Pontiac. Shunia assisted VM with the insurance purchase. Shunia told VM \$450 was needed as a down payment to start a GMAC/National General auto policy. VM paid \$450 to Shunia which was intended to be used for a premium payment on the GMAC/National General policy.

36. DIFS' investigation determined that of the \$450 paid for insurance, only \$192 was forwarded to GMAC/National General.
37. In response to a DIFS inquiry, and in an attempt to account for the \$450 in premium funds, Bahooora later explained to DIFS that \$192 was forwarded to the insurer and \$258 was used to purchase a motor club membership for VM's Chevy and Pontiac and also a Buick that VM owned. However, no information regarding the motor club membership or the fee for the membership was recorded on the receipt provided to VM and VM was unaware that the majority of the premium paid was not remitted to the insurer, but was used to purchase a different product.
38. Bahooora then provided DIFS a copy of a signed motor club membership application for the Chevy and Pontiac. However, the application noted VM was only being charged \$108 for the membership. Even if VM had intended to purchase the motor club membership, Bahooora could not produce any record accounting for the remaining \$150 in premium funds paid by VM.
39. In an attempt to account for the remaining \$150, Bahooora provided DIFS with receipt #084208 dated February 21, 2013, which stated it was received for "GMAC Buick \$0, Nation Safe Drivers \$150" in the amount of "\$150 cash." DIFS staff showed VM a copy of the receipt. VM stated the receipt is fraudulent, that VM had not previously seen receipt #084208, and a copy of receipt #084208 was not provided when VM demanded copies of her receipts in June 2013.
40. Credible evidence indicates Bahooora falsified receipt #084208 to create a record to demonstrate compliance with the Code and to conceal the misuse of VM's premium funds.
41. After several attempts, Bahooora and Assurity IV were not able to account for the missing \$150 and DIFS has determined that Respondents misappropriated a minimum of \$150 of VM's paid premium.
42. On or about February 26, 2013, VM visited Assurity to add the Buick to the existing GMAC/National General policy. Shunia assisted with the transaction. Shunia told VM that it would cost an additional \$150 to add the vehicle. VM paid \$150 in cash for the insurance coverage. Shunia provided receipt #084080 dated February 26, 2013, which stated it was received for "GMAC" in the amount of "\$150 cash." This payment was not forwarded to GMAC/National General and insurance was not secured for the Buick. Respondents misappropriated an additional \$150 of VM's premium funds.
43. Between February 6, 2013, and March 6, 2013, VM requested several changes to the GMAC/National General policy including the addition of the Buick, two children as drivers, and removal of the Chevy. Due to the changes to the policy, GMAC/National General required an additional payment of \$474.13 due no later than March 16, 2013. Respondents did not remit any of VM's funds which they were holding to GMAC/National General.

44. Despite VM now having paid a total of \$600 in premium payments to Shunia and/or Respondents, only \$192 was forwarded to GMAC/National General.
45. On March 20, 2013, VM's GMAC/National General policy was canceled for nonpayment.
46. On March 20, 2013, VM visited Assurity IV, not understanding why the GMAC/National General policy had been canceled, but ready to pay for a new policy rather than drive uninsured. Shunia assisted VM with the insurance purchase. Shunia placed the new auto policy insurance application with the MAIPF and it was assigned to Auto Club Insurance Association (Auto Club). Auto Club issued two policies. Policy xxxx6861 insured the Pontiac, VM and one of the children for a premium due of \$2,185. Policy xxxx6862 insured the Buick and VM for a premium due of \$716. The total premium amount owing to Auto Club for the Pontiac and Buick policies was \$2,901.
47. VM paid Shunia \$358 as a down payment to start the two auto policies and believed she was financing the remainder owed to Auto Club through Prime Rate Financial Corporation, Inc., (Prime Rate) a premium finance company. Although the total premium owed to Auto Club for both policies was \$2,901, Shunia completed the premium finance agreement for only \$1,074. Further, Prime Rate's records showed only the premium for the Buick policy was financed under the agreement. VM made an additional payment of \$282.84 as the first of four monthly payments she was told were due to Prime Rate to cover both cars.
48. Assurity IV sent Auto Club a check for \$1,432 (\$1074 from Prime Rate and \$358 from VM). Auto Club applied \$716 to the Buick policy, which paid the policy in full, and applied the remaining \$716 to the Pontiac policy leaving a balance due of \$1,469. VM's additional payment of \$282.84 was not sent to Auto Club. Auto Club began to invoice VM for the balance due on the Pontiac policy. VM did not send payments to Auto Club or Prime Rate, but instead continued to make monthly premium payments to Shunia and Assurity IV believing that the auto insurance was being paid.
49. On or about April 20, 2013, VM made a second premium payment to Shunia at Assurity IV in the amount of \$282.84. This payment was forwarded to Prime Rate.
50. On or about May 10, 2013, VM made a third premium payment to Shunia at Assurity IV in the amount of \$282.84. This payment was forwarded to Prime Rate.
51. Although VM made three payments to Shunia and/or Assurity IV for the balance due, Prime Rate only received two payments. Shunia and/or Assurity IV failed to remit the first payment of \$282.84 to Prime Rate. As a result, on July 3, 2013, Prime Rate requested that Auto Club cancel the Buick policy (the only policy subject to Prime Rate's agreement) because it appeared VM was not paying as agreed. After Prime Rate applied the refund of unearned premium to VM's account for the Buick policy, VM had an outstanding balance due to Prime Rate of \$238.56.

52. Because Auto Club had not been paid additional money for the Pontiac's policy, Auto Club then canceled the Pontiac's policy for nonpayment. VM was unaware that the car was no longer insured.
53. On or about May 18, 2013, VM telephoned Assurity IV from a car dealership after purchasing a Ford Fusion, needing insurance to complete the transaction. Shunia assisted with the insurance purchase. VM paid \$440 in premium to Shunia to start the policy, but only \$350 was forwarded to Auto Owners. Shunia placed the policy with the MAIPF and it was assigned to Auto-Owners Insurance Company (Auto-Owners) (policy number xxxx9861). VM premium financed \$1,075.40, the balance of the premium owed, with Prime Rate. Four monthly payments in the amount of \$268.85 were to be forwarded to Prime Rate. Despite Respondents now holding \$682 of VM's money that had not been applied to insurance nor accounted for, Prime Rate did not receive any payments on the premium finance agreement.
54. On July 3, 2013, Prime Rate requested that Auto Owners cancel the Ford policy for nonpayment. After Auto Owners applied the refund of unearned premium to VM's account for the Ford policy, VM had an outstanding balance due to Prime Rate of \$53.90.
55. In response to a DIFS inquiry regarding the \$440 premium Shunia and/or Assurity IV received for the Ford policy, Bahooora provided DIFS with receipt #084243 dated May 18, 2013. Bahooora claimed it was a copy of the original receipt given to VM showing that \$340 was applied to the Ford policy and \$100 was applied to a motor club membership. DIFS Staff showed VM a copy of the receipt. VM stated the receipt is fraudulent and that VM had never seen receipt #084243 before. Further, a copy of receipt #084243 was not given to VM when VM demanded and was provided with copies of all receipts in June 2013.
56. Bahooora, Assurity IV and/or Shunia were not able to account for or provide a record for the remaining \$100, nor were they able to provide a signed motor club membership application to cover VM's Ford Fusion.
57. Credible evidence indicates Bahooora falsified receipt #084243 to provide a record to demonstrate compliance with the Code and to conceal the misuse of VM's premium funds.
58. After DIFS made its inquiry, on February 3, 2014, Bahooora, Assurity IV and/or Shunia submitted a motor club membership application to cover VM's Ford Fusion, not because VM wanted the motor club coverage or authorized them to purchase it, but to demonstrate their compliance with the Code and to conceal their misuse of VM's premium funds.
59. Despite Bahooora, Assurity IV and/or Shunia having \$440 in premium payments to remit to Auto-Owners on behalf of VM, they each failed to remit the entire amount paid in premium that was intended for insurance.

60. In total, Bahooora, Assurity IV and/or Shunia misappropriated \$682.84 in premium paid by VM that was intended for payment towards VM's GMAC/National General Auto, Auto Club and Auto Owners policies, and failed to maintain records documenting the insurance transactions and receipts of premium.
61. A similar scenario occurred with RH. Shunia explained that a \$421 payment was owed to start a policy. RH made the \$421 payment to Shunia/Assurity II and/or Assurity IV for insurance and Shunia provided a MAIPF State of Michigan Certificate of No-Fault Insurance as evidence that coverage was bound and effective on July 8, 2013. Receipt #084319 stated "\$421 cash" was received from RH for "deposit for policy."
62. On July 12, 2013, RH canceled the policy and was due a return of unearned premium. When Auto-Owners only refunded \$221.31, RH questioned the refund amount and filed a complaint with DIFS.
63. A DIFS' review of RH's insurance paperwork determined that \$276 was paid to Auto-Owners and \$145 was used to purchase a motor club membership for RH's vehicle. However, no information regarding a motor club membership or the fee for the membership was recorded on the receipt provided to RH. RH believed and intended that all \$421 was to be applied towards the insurance policy and it was not.

Forgery

64. DIFS' investigation into Respondents' business activities also revealed several transactions where Respondents submitted forged applications to premium finance companies and borrowed funds using customers' information without customer permission or knowledge. Respondents also exposed customers to liability for the borrowed funds and jeopardized the coverage provided under the customers' auto policies.
65. On July 31, 2014, Auto-Owners reported to DIFS that Respondents Bahooora, Assurity 1 and Assurity II submitted premium finance agreements to Prime Rate requesting funding for policies placed with the MAIPF and underwritten by Auto-Owners with signatures that were most likely forged.
66. Auto-Owners' audit of Assurity 1 and Assurity II found that approximately 117 premium finance agreements executed between December 2012 and June 2014 contained signatures on the premium finance agreements that did not match the insureds' signatures on the MAIPF insurance applications.
67. DIFS Staff interviewed several customers who purchased their insurance from Assurity 1, Assurity II, Assurity III or Assurity IV to discuss their insurance transactions and the payment methods they had used to pay the premium for the insurance policies. Some of the customers interviewed included KB, RH, KM, and BJ.

68. Each customer interviewed by DIFS and Auto-Owners stated they had no knowledge of the premium finance agreement at the time they purchased their auto insurance and did not authorize Respondents, Shunia or Delly to sign or submit a Prime Rate premium finance agreement on their behalf.
69. Six customers who purchased insurance at Assurity II stated that no agent at Assurity II ever mentioned that premium financing was needed to purchase the policy desired.
70. KB indicated only becoming aware of the premium finance agreement two months after visiting Assurity II when a letter was received from Auto-Owners. On June 8, 2014, KB had a discussion with Auto-Owners, reviewed a copy of the premium finance agreement and confirmed that the signature on the agreement had been forged. On June 18, 2014, KB went to Assurity II and demanded a copy of the premium finance agreement. Delly/Assurity II was not able to provide a copy of the premium finance agreement, or a record that one had been signed and submitted on KB's behalf.
71. RH stated that all insurance paperwork had not been received on the day the policy was purchased. RH returned to Assurity I to collect the paperwork. Shunia provided a copy of an executed Prime Rate premium finance agreement. RH reviewed the copy of the premium finance agreement and immediately noticed that the signature on the agreement was not authentic and had been forged.
72. BJ stated premium financing was not discussed and was not needed or wanted. DIFS' record review shows that BJ's signature on the Prime Rate premium finance agreement was clearly not the same as the signature on BJ's insurance application.

Failure to Return Unearned Commission

73. In October 2014, the MAIPF reported to DIFS that it had disqualified Bahooora, Assurity I and Assurity II from placing business with the MAIPF for numerous reports of noncompliance with the MAIPF rules including submitting insurance applications with missing documentation and remitting Assurity business checks intended for payment of insureds' premium that were later dishonored by the bank for insufficient funds. The MAIPF requested replacement funds for the dishonored checks, but to date has only received a partial payment for what is actually owed.
74. The MAIPF also reported that Bahooora, Assurity I and Assurity II have refused to return unearned commission. More specifically, Auto-Owners paid Bahooora, Assurity I and Assurity II commissions for writing policies that were placed through the MAIPF.
75. Auto-Owners paid a total of \$1,473.58 in commissions for policies that were issued and later canceled for nonpayment.
76. Auto-Owners sent Bahooora, Assurity 1 and Assurity 2 a letter informing them of the status of the policies and explaining they were subject to a commission charge-back.

77. Between September and November 2014, MAIPF and Auto Owners attempted to collect the commissions that were owed from Bahooora, Assurity 1 and Assurity 2 to no avail. To date, Bahooora, Assurity 1 and Assurity II still owe Auto-Owners \$1,473.58 in unearned commission.

II. Conclusions of Law

78. Respondents' actions demonstrate a pattern of behavior constituting a serious threat to the public.
79. Respondents knew or should have known that Section 1205(2)(b) of the Code, MCL 500.1205(2)(b), provides that each business entity must have a DRLP who is responsible for the business entity's compliance with Michigan's insurance laws, rules and regulations. Bahooora is the DRLP and LLC member responsible for Assurity 1, Assurity II, Assurity III, and Assurity IV's compliance with Michigan's insurance laws, rules and regulations.
80. Respondents knew or should have known that Section 1239(3), MCL 500.1239(3), provides that the license of a business entity may be suspended, revoked, or refused if the Director finds that an individual licensee's violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was neither reported to the Director nor corrective action taken.

A. Unlicensed Activity – MCL 500.1201(a)(1) and MCL 500.1905(1)

81. Respondents knew or should have known that Section 1201a(1), MCL 500.1201a(1), provides that a person shall not sell, solicit or negotiate insurance without being licensed under the Code. "Sell," "solicit," and "negotiate" are terms defined in the Code at MCL 500.1201(k), (l) and (n.)
82. Respondent Bahooora violated the Code and provided justification for licensing sanctions when she acted as an agent or broker in the transaction of surplus lines insurance without being properly licensed to do so.
83. Respondent Assurity IV has provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of Assurity IV, acted as an agent or broker in the transaction of surplus lines insurance without being properly licensed to do so when she discussed coverages, completed insurance applications, collected premiums and submitted the insurance applications for placement at Assurity IV without being licensed and properly authorized to transact the business of surplus lines insurance. Bahooora knew or should have known that her unlicensed activity was in violation of the Code and that on behalf of Assurity IV she was required to report the violation to the Director or take corrective action and she did neither.

84. Respondent Bahooora violated the Code and provided justification for licensing sanctions when she allowed Shunia and Delly to sell, solicit and negotiate insurance policies, submit insurance applications to insurers, collect premiums and bind coverage, without being licensed.
85. Respondents Assurity 1, Assurity II, Assurity III, and Assurity IV (the Agencies) have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, allowed Shunia and Delly to sell, solicit and negotiate insurance policies, submit insurance applications to insurers, collect premiums and bind coverage at one or more of the Agencies without being licensed and properly authorized to transact the business of insurance. Bahooora knew or should have known that her facilitation of Shunia and Delly's unlicensed activity was in violation of the Code and that on behalf of the Agencies she was required to report the violation to the Director or take corrective action and she did neither.

B. Unappointed Activity – MCL 500.1208a(1)

86. Respondents knew or should have known that only a licensed insurance producer appointed by the insurer can act as an agent of the insurer and bind coverage for that insurer. MCL 500.1208a(1).
87. Respondent Bahooora violated the Code and provided justification for licensing sanctions when she solicited commercial general liability policies for WWIC and Grange Insurance and was not appointed by either WWIC or Grange Insurance.
88. Respondent Bahooora violated the Code and provided justification for licensing sanctions when she allowed Delly and Shunia to use her user name and password and producer credentials to solicit, sell and negotiate insurance policies, collect premiums and bind coverage for insurers at one or more of the Agencies and neither were properly appointed by an insurer or were eligible agents of the MAIPF.
89. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, allowed Shunia and Delly to use Bahooora's user name and password and producer credentials to solicit, sell and negotiate insurance policies, collect premiums and bind coverage for insurers at one or more of the Agencies and neither were properly appointed by an insurer or were eligible agents of the MAIPF. Bahooora knew or should have known that her facilitation of Shunia and Delly's unappointed activity was in violation of the Code and that on behalf of the Agencies she was required to report the violation to the Director or take corrective action and she did neither.

C. Breach of Fiduciary Duty – MCL 500.1207(1)

90. Respondents knew or should have known that Section 1207(1) of the Code, MCL 500.1207(1), provides that an agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn

over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of a violation of the agent's fiduciary responsibility.

91. Bahooora, Shunia and/or Assurity IV failed to remit and misappropriated \$682.84 of VM's premium payment intended for the payment of insurance to insurers and/or premium finance companies.
92. Bahooora, Shunia and/or Assurity III and Assurity IV failed to remit and misappropriated RH's \$145 premium payment intended for the payment of insurance.
93. Bahooora, Assurity 1 and Assurity IV failed to return MM's \$23.85 unearned premium to MM in a timely manner.
94. Respondents Bahooora and Assurity IV failed to remit and misappropriated NSBC's \$2,175 premium payment intended for the payment of insurance.
95. Respondents Bahooora and Assurity 1 failed to remit and misappropriated HP's \$7,400 premium payment intended for the payment of insurance.
96. Respondents Bahooora, Assurity 1 and Assurity II failed to timely remit and replace premium funds due to the MAIPF after having Assurity 1 and Assurity II's business checks intended for premium payments for insurance dishonored by their bank, thereby violating Section 1207(1) of the Code, MCL 500.1207(1).
97. Respondents Bahooora, Assurity 1 and Assurity II failed to return unearned commissions to the MAIPF and/or Auto-Owners, thereby violating Section 1207(1) of the Code, MCL 500.1207(1).
98. Respondent Bahooora violated Section 1207(1) of the Code, MCL 500.1207(1), when she accepted funds in her capacity as an agent and failed to remit those funds in a timely manner to the persons or entities to which they were owed.
99. Respondent Bahooora violated Section 1207(1) of the Code, MCL 500.1207(1), when she allowed Shunia to accept funds on her behalf and/or on behalf of one or more of the Agencies without ensuring that all the funds accepted from customers that were intended for the payment of insurance were remitted to insurers or premium finance companies for that purpose.
100. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, knew or should have known that a fiduciary duty exists to ensure that funds accepted from customers at the Agencies and intended for the payment of insurance or premium finance agreements are remitted to insurers or premium finance companies for that purpose. When funds intended for payment of insurance premiums were accepted from customers at the Agencies and were not remitted to insurers or premium finance companies for that purpose, the Agencies knew or should have known that such activity was in violation of the Code and that the

Agencies were required to report the violation to the Director or take corrective action, but did neither.

D. Failure to Keep Accurate Records of Premium Funds Received in the Course of Insurance Business and Failure to Keep Accurate Records of Insurance Transactions – MCL 500.249, 500.1207(2)

101. Respondents knew or should have known that Section 249 of the Code, MCL 500.249, provides that for the purposes of ascertaining compliance with the provisions of the insurance laws of the state the Director, as often as she deems advisable, may initiate proceedings to examine the accounts, records, documents and transactions pertaining to any insurance agent.
102. Respondents also knew or should have known that Section 1207(2) of the Code, MCL 500.1207(2), provides that an agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers. An agent must record return premiums received by or credited to him or her which are due an insured on policies reduced or canceled or which are due a prospective purchaser of insurance as a result of a rejected or declined application. Records required by this section must be open to examination by the Director.
103. Respondents violated Section 1207(2) of the Code when they failed to use reasonable accounting methods to record premium funds received in their fiduciary capacity.
104. Respondents violated Section 1207(2) of the Code when they failed to provide accurate receipts to insureds detailing distribution of the money received.
105. Respondents violated Section 1207(2) of the Code when they failed to use reasonable accounting methods to record return premiums received and/or credits that were due to insureds.
106. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, failed to use reasonable accounting methods to record premium funds received in a fiduciary capacity, failed to provide receipts to insureds detailing distribution of monies received, and failed to use reasonable accounting methods to record return premiums received and/or credits due to insureds. Bahooora knew or should have known that such activity being conducted was in violation of the Code and that the Agencies were required to report the violations to the Director or take corrective action, but did neither.

E. Improperly Withholding, Misappropriating, or Converting Any Money or Property Received in the Course of Doing Insurance Business – MCL 500.1239(1)(d)

107. Respondents knew or should have known that Section 1239(1)(d), MCL 500.1239(1)(d), provides that the Director may take action against an insurance producer who improperly

withholds, misappropriates, or converts any money or property received in the course of doing insurance business.

108. Bahooora has provided justification for suspension or revocation of licensure when she:
- a. Received and misappropriated NSBC's \$2,175 premium payment intended for the payment of insurance.
 - b. Received and misappropriated HP's \$7,400 premium payment intended for the payment of insurance.
 - c. Received and failed to return unearned commissions to MAIPF and/or Auto-Owners.
109. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, knew or should have known that that she and other individuals at the Agencies were improperly withholding, misappropriating, or converting money or property received in the course of doing insurance business when:
- a. Bahooora, Shunia and/or Assurity IV failed to remit and misappropriated \$682.84 of VM's premium payments intended for the payment of insurance to insurers and/or premium finance companies;
 - b. Bahooora, Shunia and/or Assurity III and Assurity IV failed to remit and misappropriated RH's \$145 premium payment intended for the payment of insurance;
 - c. Bahooora, Assurity 1 and Assurity IV failed to return MM's \$23.85 unearned premium in a timely manner;
 - d. Respondents Bahooora and Assurity IV failed to remit and misappropriated NSBC's \$2,175 premium payment intended for the payment of insurance;
 - e. Respondents Bahooora and Assurity 1 failed to remit and misappropriated HP's \$7,400 premium payment intended for the payment of insurance;
 - f. Respondents Bahooora, Assurity 1 and Assurity II failed to timely remit and replace premium funds due to the MAIPF after having Assurity 1 and Assurity II's business checks, intended for premium payments for insurance, dishonored by their bank;
 - g. Respondents Bahooora, Assurity 1 and Assurity II failed to return unearned commissions to the MAIPF and/or Auto-Owners;

and the violations were not reported to the Director nor corrective action taken.

F. Intentional Misrepresentation of the Terms of an Actual or Proposed Insurance Contract or Application for Insurance – MCL 500.1239(1)(e)

110. Respondents knew or should have known that Section 1239(1)(e), MCL 500.1239(1)(e), provides that the Director may take action against an insurance producer who intentionally misrepresents the terms of an actual or proposed insurance contract or application for insurance.
111. Bahooora provided justification for suspension or revocation of licensure when she provided HP with an ACORD Certificate of Liability indicating commercial general liability and automobile liability coverage was issued by Grange Insurance under policy numbers 2085716 and 2085716 with an effective date of 07/25/2014 and expiration date 07/25/2015, knowing she had not completed the steps necessary to complete the insurance application and bind the coverage.
112. Assurity 1 has provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of Assurity 1, knew or should have known when she provided HP with an ACORD Certificate of Liability indicating commercial general liability and automobile liability coverage was issued by Grange Insurance with an effective date of 07/25/2014, she had not completed the steps necessary to complete the insurance application and bind the coverage, that the conduct was a violation of the Code, and the violations were not reported to the Director nor corrective action taken.

G. Dishonest and Fraudulent Practices – MCL 500.1239(1)(h)

113. Respondents knew or should have known that Section 1239(1)(h), MCL 500.1239(1)(h), provides that the Director may take action against an insurance producer who uses dishonest and/or fraudulent practices.
114. Respondent Bahooora has provided justification for licensing sanctions by using dishonest and fraudulent practices when she:
 - a. Engaged in unlicensed and unappointed activity without being properly licensed or appointed in surplus lines insurance;
 - b. Allowed Delly and Shunia to sell, solicit and negotiate insurance policies without being properly licensed;
 - c. Allowed Delly and Shunia to act on behalf of insurers without being properly appointed;
 - d. Signed and certified insurance applications as agent of record knowing she was not the agent that conducted the insurance transaction and the certification was not true;

- e. Allowed Delly and Shunia to accept premium funds on her behalf without ensuring that all the funds accepted from customers that were intended for the payment of insurance premium were remitted to insurers for that purpose;
 - f. Allowed Delly and Shunia to accept premium funds on behalf of the Agencies without ensuring that all the funds accepted from insureds that were intended for the payment of insurance premium were remitted to insurers for that purpose;
 - g. Issued receipts representing that all of the insureds' premium were applied to insurance when they were not;
 - h. Allowed Delly and Shunia to issue receipts representing that all of the insureds' premium were applied to insurance when they were not;
 - i. Accepted funds from insureds intended for the payment of insurance premium and failed to remit those funds to the persons or entities to which they were owed;
 - j. Falsified receipts and other insurance documents;
 - k. Fraudulently issued an ACORD binder evidencing insurance coverage had been bound when it had not;
 - l. Caused policy coverages to lapse for nonpayment of customers' premium;
 - m. Concealed her misconduct from insureds, insurers, and premium finance companies by providing false information;
 - n. Failed to remit premium funds to insurers;
 - o. Failed to return premium funds to insureds when the funds were not used for intended purposes;
 - p. Forged customers' signatures on premium finance applications;
 - q. Misappropriated customers' personal and business information to obtain premium finance loans;
 - r. Misappropriated premium funds for personal and business expenses;
 - s. Obligated customers to repay premium finance loans they did not authorize or have knowledge of; and
 - t. Used the cover of insurance to defraud premium finance companies in order to obtain commissions.
115. The Agencies have provided justification for suspension or revocation of licensure when Bahoura, as LLC member and DRLP of the Agencies, knew or should have known that

that Bahooora and other individuals at the Agencies were using the fraudulent and dishonest practices outlined in paragraph 114 and the violations were not reported to the Director not corrective action taken.

**H. Untrustworthiness, Incompetence and Financial Irresponsibility – MCL
500.1239(1)(h)**

116. Respondents knew or should have known that Section 1239(1)(h), MCL 500.1239(1)(h), provides that the Director may take action against an insurance producer who demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
117. Respondent Bahooora has provided justification for licensing sanctions by demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state by:
 - a. Engaging in unlicensed and unappointed activity without being properly licensed or appointed in surplus lines insurance;
 - b. Allowing Delly and Shunia, whom have not demonstrated that he or she possesses the knowledge, skill, or experience to engage in the business of insurance in this state in accordance with Michigan's insurance laws to sell, solicit and negotiate insurance policies without being properly licensed;
 - c. Allowing Delly and Shunia to act on behalf of insurers without being properly appointed;
 - d. Signing and certifying insurance applications as agent of record knowing she was not the agent that conducted the insurance transaction and the certification was not true;
 - e. Allowing Delly and Shunia to accept premium funds on her behalf without ensuring that all the funds accepted from customers that were intended for the payment of insurance premium were remitted to insurers for that purpose;
 - f. Allowing Delly and Shunia to accept premium funds on behalf of the Agencies without ensuring that all the funds accepted from insureds that were intended for the payment of insurance premium were remitted to insurers for that purpose;
 - g. Failing to supervise Delly and Shunia's activities at one or more of the Agencies;
 - h. Issuing receipts representing that all of the insureds' premium were applied to insurance when they were not;
 - i. Allowing Delly and Shunia to issue receipts representing that all of the insureds' premium were applied to insurance when they were not;

- j. Accepting funds from insureds intended for the payment of insurance premium and failed to remit those funds to the persons or entities to which they were owed;
 - k. Falsifying receipts and other insurance documents;
 - l. Failing to use reasonable accounting methods to record funds received in her fiduciary capacity;
 - m. Failing to provide records of receipts and distributions of all premiums due each of his or her insurers;
 - n. Failing to maintain records of return premiums received by or credited to her whom they are due an insured on policies reduced or canceled;
 - o. Failing to maintain the accounts, records, documents and transactions pertaining to insurance business for examination by the Director;
 - p. Fraudulently issuing an ACORD binder evidencing insurance coverage had been bound when it had not;
 - q. Causing policy coverages to lapse for nonpayment of customers' premium;
 - r. Concealing her misconduct from insureds, insurers, and premium finance companies by providing false information;
 - s. Failing to remit premium funds to insurers;
 - t. Failing to return premium funds to insureds when the funds were not used for intended purposes;
 - u. Misappropriating customers' personal and business information to obtain premium finance loans;
 - v. Misappropriating premium funds for personal and business expenses;
 - w. Failing to return unearned commissions;
 - x. Having business checks returned for insufficient funds;
 - y. Obligating customers to repay premium finance loans they did not authorize or have knowledge of; and
 - z. Using the cover of insurance to defraud premium finance companies in order to obtain commissions.
118. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, knew or should have known that

she and other individuals at the Agencies were demonstrating incompetence, untrustworthiness and financial irresponsibility by the actions outlined in paragraph 116 and the violations were not reported to the Director nor corrective action taken.

I. Forgery – MCL 500.1239(1)(j)

119. Respondents knew or should have known that Section 1239(1)(j), MCL 500.1239(1)(j), provides that the Director may take action against an insurance producer who forges another's name to an application for insurance or to any document related to an insurance transaction.
120. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, knew or should have known that premium finance agreements at the Agencies were being forged and submitted to premium finance companies without the insureds' permission or knowledge, and that the activity was a violation of the Code and the violations were not reported to the Director nor corrective action taken.

J. Knowingly Accepting Insurance Business from an Individual Who is Not Licensed – MCL 500.1239(1)(l)

121. Respondents knew or should have known that Section 1239(1)(l), MCL 500.1239(1)(l), provides that the Director may take action against an insurance producer who knowingly accepts insurance business from individuals who are not licensed.
122. Bahooora has provided justification for suspension or revocation of licensure when she knowingly employed and facilitated the unlicensed activity of Delly and Shunia at one or more of the Agencies and accepted the insurance business they solicited, negotiated and sold.
123. The Agencies have provided justification for suspension or revocation of licensure when Bahooora, as LLC member and DRLP of the Agencies, knew or should have known that Delly and Shunia were unlicensed individuals soliciting, selling and negotiating insurance business that was being accepted and placed through one or more of the Agencies, and that the conduct was a violation of the Code and the violations were not reported to the Director nor corrective action taken.

K. Summary Suspension is Appropriate Under Section 1242 of the Code and Section 92 of the APA, MCL 500.1242 and MCL 24.292.

124. The conduct of Respondents indicates that a summary suspension of licensure is appropriate and necessary to protect the public from further financial damage and other harm and to protect the public interest.
125. The conduct of Respondents indicates that Respondents do not possess the requisite character and fitness to be engaged in the business of insurance, and further indicates that

Respondents do not command the confidence of the public nor warrant the belief that Respondents will comply with the law.