

**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. 17-15018

Agency No. 18-123-L

Petitioner,

v

Jay Todd Eurich

System ID No. 0622445

Respondent.

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**Issued and entered
on March 7, 2019
by **Randall S. Gregg**
Senior Deputy Director**

FINAL DECISION

I. Background

Jay Todd Eurich (Respondent) is a licensed nonresident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to comply with an arbitration award or settlement agreement and failed to report the administrative action as required per the Michigan Insurance Code (Code). After investigation and verification of the information, on November 9, 2018, 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 Code, MCL 500.1239(1) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On January 4, 2019, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address 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 February 20, 2019, 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 has been an active licensed nonresident insurance producer, with qualifications in life, accident and health, and variable annuities since March 25, 2011.
2. On September 9, 2016, Respondent's registration was suspended from the Financial Industry Regulatory Authority (FINRA) for failure to comply with an arbitration award or settlement agreement pursuant to FINRA Rule 9554.
3. In November of 2016, DIFS received notification from FINRA via its *Disciplinary and Other FINRA Actions Report* that Respondent was named in the report as a result of the suspension.
4. DIFS Staff also discovered that Respondent holds an active variable annuities qualification but does not have a current FINRA registration.
5. On December 28, 2016, DIFS Staff sent a letter of inquiry to Respondent's mailing address, which he is required per the Code to keep current with DIFS. On January 28, 2017, the letter was returned by the United States Postal Service (USPS) marked "Vacant, Unable to Forward."
6. On February 13, 2017, the letter of inquiry was mailed to Respondent's mailing address on file with the National Association for Insurance Commissioners (NAIC). No response was received, and it was not returned by the USPS.
7. On April 21, 2017, the letter of inquiry was emailed to Respondent's business email address of record. No response was received. Additionally, the letter of inquiry was mailed to Respondent's residential address. No response was received, and it was not returned by the USPS.
8. On August 3, 2017, DIFS Staff sent Respondent a letter of inquiry at a new address. No response was received, and it was not returned by the USPS.
9. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), states:

For the purposes of ascertaining compliance with the provisions of the insurance laws of the state or of ascertaining the business condition and practices of an insurer or proposed insurer, the commissioner, as often as he deems advisable, may initiate proceedings to examine the accounts, records, documents and transactions pertaining to:

(a) Any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.

10. As a licensee, Respondent knew or had reason to know that Section 1238(1) of the Code, MCL 500.1238(1), states:

(1) When applying for a license to act as an agent, solicitor, counselor, or adjuster, the applicant shall report his or her mailing and electronic mail address to the commissioner. An agent, solicitor, counselor, or adjuster shall notify the commissioner of any change in his or her mailing or electronic mail address within 30 days after the change. The commissioner shall maintain the mailing and electronic mail address of each agent, solicitor, counselor, or adjuster on file.

11. Respondent violated Section 1238(1) of the Code, MCL 500.1238(1), by failing to notify the Director of any change in his mailing or electronic mail address within 30 days after the change.

12. As a licensee, Respondent knew or had reason to know that Section 1247(1) of the Code, MCL 500.1247(1), states:

(1) An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within 30 days after the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

13. Respondent violated Section 1247(1) of the Code, MCL 500.1247(1), by failing to report the aforementioned FINRA administrative action to DIFS within 30 days after the final disposition of the matter.

14. As a licensee, Respondent knew or had reason to know that Section 1239(1) of the Code, MCL 500.1239(1), states:

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial

irresponsibility in the conduct of business in this state or elsewhere.

15. As a licensee, Respondent knew or had reason to know that Section 1244(1)(a-c), of the Code, MCL 500.1244(1)(a-c), provides that the Director may order the payment of a civil fine of up to \$500.00 for each violation and up to \$2,500 for each violation if the Director finds that the person knew or reasonably should have known that he or she was in violation of the Code. The Director may also require the person to refund any overcharges and pay restitution to cover losses, damages, or other harm they caused by violating the Code. Pursuant to Section 1244(1)(d), of the Code, MCL 500.1244(1)(d), the Director may order suspension or revocation of licensure.
16. Respondent has provided justification for sanctions, pursuant to Sections 1239(1)(b) and 1244(1) of the Code by failing to respond to letters of inquiry sent by DIFS Staff seeking information and supporting documentation in accordance with Section 249(a) of the Code, MCL 500.249(a).
17. Respondent has provided justification for sanctions, pursuant to Sections 1239(1)(h) and 1244(1) of the Code by failing to comply with an arbitration award or settlement agreement pursuant to FINRA Rule 9554 thus using dishonest practices and demonstrating untrustworthiness and financial irresponsibility in the conduct of business.
18. 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.
19. On November 7, 2018, 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 Code, MCL 500.1239(1) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.
20. On January 4, 2019, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address 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.
21. DIFS Staff have made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2).
22. Respondent has received notice and has been given an opportunity to respond and appear and has not responded nor appeared.
23. 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.
2. Respondent shall immediately **CEASE** and **DESIST** from engaging in the business of insurance.
3. Pursuant to MCL 500.249, MCL 500.1238(1), MCL 500.1247(1), MCL 500.1239(1)(b) and (h), and MCL 500.1244(1)(d), Respondent's nonresident insurance producer license (System ID No. 0622445) is **REVOKED**.

Anita G. Fox, Director
For the Director:



Randall S. Gregg, Senior Deputy Director