

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Kimala Ann Ferrise
System ID No. 0344223

Enforcement Case No. 19-15673

Respondent.
_____ /

Issued and entered
on Sept. 26, 2019
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 protection of the public health, safety and welfare requires emergency action,

IT IS THEREFORE ORDERED that:

1. The insurance producer license and authority of Respondent are **SUMMARILY SUSPENDED**.
2. A copy of this Order shall be immediately served upon Respondent. This order shall be effective upon the date of service.
3. If requested by Respondent, 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 Respondent requests a later date. The hearing shall address the following issues:
 - a. Whether the suspension should be continued.
 - b. Whether Respondent's license 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. Kimala Ann Ferrise (Respondent) has been an active resident producer in Michigan with qualifications in property since August 27, 2004, casualty since September 9, 2004, life since April 20, 2005, accident and health since May 12, 2005, and variable annuities since April 4, 2008. Her license is currently active, and she is authorized to transact the business of insurance in Michigan.
2. Based upon the information as set forth below, protection of the public health, safety, and/or welfare requires emergency action.
3. On August 17, 2018, Respondent's employment with Meemic Insurance Company was terminated for alleged identity theft.
4. Specifically, Respondent's employer discovered several altered documents. The documents included a copy of a client's driver's license with Respondent's picture imposed on it, copies of manipulated pay stubs, and a copy of a statement from Golden Sachs with a client's name on it, but with Respondent's residence address.
5. On January 3, 2019, DIFS staff mailed a letter of inquiry to Respondent requesting a response. Her response was received on January 22, 2019. In her response, Respondent admitted to altering the documents to "maybe...get a loan," but stated that she did not intend to use the documents to commit fraud.
6. On April 1, 2019, Respondent pleaded guilty to felony identity theft, was sentenced to two years of probation, and ordered to pay fees of \$1,948.00. Respondent failed to report her criminal prosecution as required per the Michigan Insurance Code (Code).
7. As a licensee, Respondent knew or had reason to know that Section 1247(2) of the Code, MCL 500.1247(2), states:
 - (2) Within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.
8. As a licensee, Respondent knew or had reason to know that Sections 1239(1)(b), (f), (g) and (h) of the Code, MCL 500.1239(1)(b), (f), (g) and (h), state:

(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.

* * *

(f) Having been convicted of a felony.

* * *

(g) Having admitted or been found to have committed any insurance unfair trade practice or fraud

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere

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9. 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 \$1,000.00 for each violation and up to \$5,000.00 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.
10. Respondent has provided justification for sanctions, pursuant to Sections 1239(1)(b) and 1244(1) of the Code, MCL 500.1239(1) and MCL 500.1244(1), by failing to report her felony prosecution within 30 days of the initial pretrial hearing date pursuant to Section 1247(2) of the Code, MCL 500.1247(2).
11. Respondent has provided justification for sanctions pursuant to Sections 1239(1)(f) and 1244(1) of the Code, MCL 500.1239(1)(f) and MCL 500.1244(1), by having pleaded guilty to felony identity theft.
12. Respondent has provided justification for sanctions pursuant to Sections 1239(1)(g) and 1244(1) of the Code, MCL 500.1239(1)(g) and MCL 500.1244(1), by admitting to and having pleaded guilty to felony identity theft.

13. Respondent has provided justification for sanctions pursuant to Section 1239(1)(h) and 1244(1) of the Code, MCL 500.1239(1)(h) and MCL 500.1244(1), by altering documents and engaging in identity theft thereby using fraudulent and dishonest practices, and demonstrating untrustworthiness and financial irresponsibility in the conduct of business.
14. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order revocation of licensure.
15. Respondent's actions demonstrate behavior constituting a serious threat to the public.
16. The alleged conduct of Respondent indicates that a summary suspension of licensure is appropriate and necessary in order to protect the public from further financial damage and other harm and to protect the public interest.
17. The alleged conduct of Respondent indicates that Respondent does not possess the requisite character and fitness to be engaged in the business of insurance, and further indicates that Respondent does not command the confidence of the public nor warrant the belief that Respondent will comply with the law.
18. Due process requirements of the Code and the APA require that the Respondent, subject to summary disciplinary action, be provided with an opportunity for a prompt hearing on the order for summary suspension. A summary suspension of Respondent's license is authorized by Section 92 of the Michigan Administrative Procedures Act of 1969, as amended, MCL 24.292, and Section 1242(4) of the Michigan Insurance Code, MCL 500.1242(4).