

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. 14-12209
Agency No. 15-028-L

Petitioner,

v

Harmon Harris

System ID No. 0667493

Respondent.

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Issued and entered
on July 14, 2015
by **Randall S. Gregg**
Deputy Director

FINAL DECISION

I. Background

Harmon Harris (Respondent) is a licensed resident insurance producer. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) of the Michigan Insurance Code (Code), MCL 500.1239(1)(b), by failing to respond to inquiries from the Department of Insurance and Financial Services (DIFS) as required. Additionally, Respondent has provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by failing to comply with the terms of a prior settlement agreement. After investigation and verification of the information, on March 4, 2015, 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 May 15, 2015, 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 take any of these actions.

On July 1, 2015, 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. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of the DIFS (Director).
2. Respondent is a licensed resident insurance producer with a life qualification whose license was issued by DIFS pursuant to a settlement agreement imposing certain reporting requirements.
3. On April 10, 2014, Respondent signed the settlement agreement and his Michigan resident insurance producer license was subsequently issued.
4. On July 30, 2014, and August 19, 2014, DIFS Staff emailed an update request to Respondent at the email he previously provided to DIFS to determine his compliance with the settlement agreement. Respondent did not respond.
5. DIFS Staff also telephoned Respondent at the phone number he provided requesting that he respond as soon as possible. The person that answered the phone stated that there was no one by that name at that number.
6. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), states that:

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:

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

7. Respondent violated Section 249(a) by failing to respond to DIFS' repeated requests for information.
8. As a licensee, Respondent knew or had reason to know that Sections 1239(1)(b) and (h) of the Code, MCL 500.1239(1)(b) and (h) state that:

(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.

9. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), by failing to respond to DIFS' repeated inquiries pursuant to Section 249(a) of the Code, MCL 500.249(a),
10. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by demonstrating untrustworthiness in the conduct of business by failing to comply with the terms of the settlement agreement.
11. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the revocation of licensure.
12. DIFS Staff have made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2).
13. Respondent has received notice and has been given an opportunity to respond and appear and has not responded or appeared.
14. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

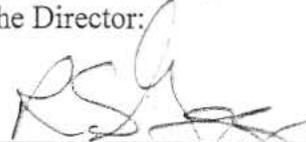
III. Order

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

1. Respondent cease and desist from violating the Code.
2. Respondent immediately cease and desist from engaging in the business of insurance.

3. Pursuant to MCL 500.249, MCL 500.1247(1), MCL 500.1239(1)(b) and (h), and MCL 500.1244(1)(d), Respondent's resident insurance producer license (System ID No. 0667493) is **REVOKED**.

Patrick M. McPharlin, Director
For the Director:



Randall S. Gregg, Deputy Director