

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

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

In the matter of:

**Heffernan Insurance Brokers**  
System ID No. 0012312

**Enforcement Case No. 17-15021**

**Francis M. Heffernan**  
System ID No. 0359906

Respondents.

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Issued and entered  
on May 28, 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 violated Section 1915 of the Code, MCL 500.1915, by charging policyholders a fee above the amount allowed in the Code and Insurance Bulletins.

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 acting in a manner that violates the Code.

7. Respondents shall conduct surplus lines insurance business in accordance with Chapter 12 of the Code, MCL 500.1201 *et seq.*, Chapter 19 of the Code, MCL 500.1900 *et seq.*, and Bulletin 2016-15-INS.
8. Respondents shall not advertise or make statements concerning the availability of surplus lines insurance from Respondent Heffernan Insurance Brokers that violate Section 2007 of the Code, MCL 500.2007.
9. Respondents shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$7,500.00. Respondents shall pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
10. Respondents shall pay \$25,500.00 in restitution to the policyholders listed in Attachment 1 of the Notice of Opportunity to Show Compliance. Respondents shall provide DIFS Market Conduct staff with proof of payment within ninety (90) days of DIFS' acceptance of the Order Accepting Stipulation and Stipulation to Entry of Order.
11. 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

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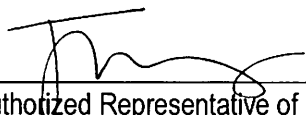
Respondents.  
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**STIPULATION TO ENTRY OF ORDER**


Heffernan Insurance Brokers and Francis M. Heffernan (Respondents) stipulate to the following:

1. On or about June 18, 2018, 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 Section 1915 of the Code, MCL 500.1915.
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, Respondents were licensed with DIFS as insurance producers pursuant to the Code.
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondents agree that they will cease and desist from operating in a manner that violates Section 1915, MCL 500.1915.
8. Respondents agree to conduct surplus lines insurance business in accordance with Chapter 12 of the Code, MCL 500.1201 *et seq.*, Chapter 19 of the Code, MCL 500.1900 *et seq.*, and Bulletin 2016-15-INS.
9. Respondents agree to not advertise or make statements concerning the availability of surplus lines insurance from Respondent Heffernan Insurance Brokers that violate Section 2007 of the Code, MCL 500.2007.

10. Respondents agree that they will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$7,500.00. Respondents further agree to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
11. Respondents agree to pay \$25,500.00 in restitution to the policyholders listed in Attachment 1 of the NOSC. Respondents shall provide DIFS Market Conduct staff with proof of payment within ninety (90) days of DIFS' issuance and acceptance of the Order Accepting Stipulation and Stipulation to Entry of Order.
12. 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.
13. Respondents understand and agree that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
14. 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 consent 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.
15. It is further stipulated that failure to comply with the Order of the Director accepting this settlement by failing to timely pay the administrative and civil fine and restitution as set forth above shall result in the commencement of an action to suspend (or to continue the suspension of) all licenses held by Respondents under the Code.
16. It is further stipulated that the fines and restitution have 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 restitution. Should Respondents fail to pay the fines and restitution in accordance with the terms of this Stipulation and the Director's Order, the parties agree that an action will commence to determine if the Respondents have, in fact, failed to pay, and, if so, Respondents agree that the fines will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondents' license(s) shall be revoked.

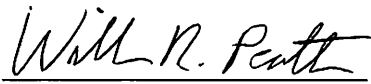
  
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Authorized Representative of  
Heffernan Insurance Brokers  
System ID No. 0012312

May 7, 2019  
Date

  
\_\_\_\_\_  
Francis M. Heffernan  
System ID No. 0359906


May 7, 2019  
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

5/9/19  
Date

**Attachment 1**

<b>Insured Name</b>	<b>Policy #</b>	<b>Effective Date</b>	<b>Premium Amount</b>	<b>Fees Charged</b>	
		8/1/14 - 8/1/15	\$10,120	\$1,500	
		8/1/15 - 8/1/16	\$10,918	\$1,500	
		12/1/15 - 12/1/16	\$24,738	\$1,500	
		12/1/14 - 12/1/15	\$23,949	\$1,500	
		12/1/2013 - 12/1/14	\$22,809	\$1,500	
		1/1/14 - 1/1/15	\$8,766	\$1,500	
		1/1/15 - 1/1/16	\$8,766	\$1,500	
		1/1/16 - 1/1/17	\$8,766	\$1,500	
		3/1/14 - 3/1/15	\$8,738	\$1,500	
		3/1/15 - 3/1/16	\$8,949	\$1,500	
		3/1/16 - 3/1/17	\$9,110	\$1,500	
		2/21/14 - 2/21/15	\$7,779	\$1,500	
		2/21/15 - 2/21/16	\$7,946	\$1,500	
		2/21/16 - 2/21/17	\$7,946	\$1,500	
		8/1/14 - 8/1/15	\$20,059	\$1,500	
		8/1/15 - 8/1/16	\$20,954	\$1,500	
		8/1/16 - 8/1/17	\$21,298	\$1,500	
	<b>Total fees charged to insureds</b>				<b>\$25,500</b>