

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

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

In the matter of:

**Jennifer Russell**  
System ID No. 0764862

**Enforcement Case No. 20-16010**  
**Agency No. 20-044-L**

Respondent.

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**Issued and entered  
On December 21, 2020  
by Randall S. Gregg  
Senior Deputy Director**

**INTERIM ORDER FOLLOWING FAILURE TO RESPOND**

Based upon 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 issue this Order during this proceeding to examine the accounts, records, documents, and transactions pertaining to an insurance agent, surplus lines agent, general agent, adjuster, public adjuster, or counselor pursuant to Section 249(a) of the Michigan Insurance Code of 1956 (Code), MCL 500.249(a).
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. All applicable provisions of the APA have been met.
1. At all relevant times, Jennifer Russell (System ID No. 0764862) (Respondent) was an active licensed resident insurance producer with qualifications in accident and health, and life. Respondent has been an active resident producer since March 6, 2018.
2. On or about April 10, 2019, the Department of Insurance and Financial Services (DIFS) received a complaint concerning Respondent containing the following allegations:
  - a. Respondent accepted \$977.32 from a consumer on or around June 22, 2018, in exchange for what the consumer believed was a homeowner's insurance policy valid for a period of one year;
  - b. Respondent failed to bind or place an insurance policy for the consumer and otherwise failed to turn over the money to an agency or insurer; and
  - c. Several months later, the consumer reported this incident to the police.

3. DIFS' subsequent investigation revealed that Respondent violated the following provisions of the Code:
  - a. By failing to Respond to DIFS inquiries, Respondent violated MCL 500.249;
  - b. By failing to notify DIFS of an address change within 30 days, Respondent violated MCL 500.1206(5);
  - c. By accepting \$977.32 from a consumer in a fiduciary capacity and failing to remit it for the intended purpose of purchasing a homeowner's insurance policy, Respondent violated MCL 500.1207(1);
  - d. By failing to notify DIFS of the change to her mailing address within 30 days, Respondent violated MCL 500.1238(1);
  - e. By failing to notify DIFS that she had been charged with theft within 30 days of her pretrial hearing date, Respondent violated MCL 500.1247(2); and
  - f. By diverting and/or attempting to divert \$977.32 from a consumer that was intended as payment for a homeowner's insurance policy, Respondent violated MCL 500.4503(g)(i).
4. Respondent was charged with identity theft on May 23, 2018 in the 10th District Court for violating MCL 445.65, which is a felony under MCL 445.69(1). She failed to appear for her May 17, 2019 arraignment and the Court issued a warrant on May 21, 2019.
5. Respondent was charged with theft for violating Flushing City Ordinance § 131.06. Respondent's pretrial hearing was scheduled in the 67th District Court for July 18, 2019 and was later rescheduled for August 1, 2019. Respondent failed to appear, and the court issued a warrant. Respondent failed to report the criminal charge to DIFS.
6. During the course of its investigation, DIFS investigator attempted to communicate with Respondent via U.S. mail on the following dates in 2019: May 2, 17, and 29; June 19. All but the June 19, 2019 letter were returned by the United States Postal Service (USPS).
7. On August 29, 2019, DIFS sent eight e-mails to e-mail addresses associated with or belonging to Respondent. Six of the e-mails were undeliverable.
8. DIFS attempted to contact Respondent via the telephone number on file with DIFS on two occasions. On both occasions, the person who answered the phone indicated that the number had not belonged to Respondent for at least a year.
9. DIFS has not received a reply from Respondent to any of these attempted contacts.
10. On April 30, 2020, a Notice of Opportunity to Show Compliance (NOSC) was mailed by first class mail to Respondent at the following address on file: Jennifer Russell, [REDACTED]. A copy was also sent to an address discovered by DIFS during the course of its investigation: Jennifer Russell, [REDACTED].

11. Respondent's reply was due on or before May 27, 2020.
12. Executive Order 2020-21, effective March 24, 2020, required Michigan residents to shelter in place until April 13, 2020; it was subsequently extended by several executive orders through the end of May. Executive Order 2020-42, Executive Order 2020-59, Executive Order 2020-67, Executive Order 2020-68, Executive Order 2020-69, Executive Order 2020-70, Executive Order 2020-77, Executive Order 2020-92, and Executive Order 2020-96.
13. The shelter in place order was lifted effective June 4, 2020 by Executive Order 2020-110. In light of these Executive Orders, DIFS provided over three additional months for Respondent to receive and respond to the NOSC. Notwithstanding this additional time, no response was received. The mail returned to DIFS by the USPS.
14. On September 21, 2020 DIFS sent Respondent true copies of an Administrative Complaint, Statement of Factual Allegations, Order for Hearing and Notice of Hearing via first class mail to Respondent at the following address of record on file with DIFS: [REDACTED]. A copy was also sent to an address discovered by DIFS during the course of its investigation: [REDACTED].
15. The Administrative Complaint filed by DIFS against Respondent sought to assess sanctions for Respondents' violations of the Code, failing to provide documents to DIFS and for failing to respond to DIFS investigators.
16. Respondent's reply was due on or before October 15, 2020.
17. Respondent did not respond in any way to the Administrative Complaint and the mail was returned to DIFS by the USPS.
18. On November 13, 2020, DIFS staff filed a Motion for Interim Order. Respondent did not file a reply to the motion.
19. As a licensee, Respondent knew or had reason to know that MCL 500.249 requires that licensees respond to inquiries from DIFS staff.
20. Respondent violated MCL 500.249 by failing to respond to DIFS' multiple e-mail, phone, and mail inquiries.
21. As a licensee, Respondent knew or had reason to know that MCL 500.1206(5) requires her to inform DIFS of any change of address within 30 days of the change.
22. Respondent violated MCL 500.1206(5) because she failed to report to DIFS that her address had changed, as indicated by the mail returned by the USPS.
23. As a licensee, Respondent knew or had reason to know that MCL 500.1207(1) requires her to act as a fiduciary for all money received or held in her capacity as an agent, timely remitting any such money to the rightful owner.

24. Respondent violated MCL 500.1207(1) by receiving money in a fiduciary capacity from a consumer but failing to turn it over to an agency or insurer for its intended purpose as payment for a homeowner's insurance policy.
25. As a licensee, Respondent knew or had reason to know that MCL 500.1238(1) requires her to notify DIFS of any change in her mailing or e-mail address within 30 days after the change.
26. Respondent violated MCL 500.1238(1) by failing to notify DIFS of the changes to her mailing and e-mail addresses, as indicated by the mail returned by the USPS and her failure to respond to DIFS investigator's e-mails.
27. As a licensee, Respondent knew or had reason to know that MCL 500.1247(2) requires her to notify DIFS of any criminal prosecution in any jurisdiction within 30 days of the initial pretrial hearing.
28. Respondent violated MCL 500.1247(2) by failing to notify DIFS of her criminal prosecution within 30 days of the date of her pretrial hearing.
29. As a licensee, Respondent knew or had reason to know that MCL 500.4503(g)(i) prohibits fraudulent acts, including the diversion or attempted diversion of funds intended for an insurer or other persons in connection with the transaction of insurance.
30. Respondent committed fraudulent insurance acts, violating MCL 500.4503(g)(i), when she diverted and/or attempted to divert \$977.32 from a consumer that was intended as payment for a homeowner's insurance policy.
31. As a licensee, Respondent knew or had reason to know that MCL 500.1239(1)(b) provides that she may be sanctioned for improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.
32. As set forth above, Respondent improperly withheld money in the course of doing insurance business by accepting money on behalf of and failing to remit it to an agency or insurer for its intended purpose, providing justification for sanctions pursuant to MCL 500.1239(1)(b).
33. As a licensee, Respondent knew or had reason to know that MCL 500.1239(1)(g) provides that she may be sanctioned for "[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
34. By accepting money on behalf of and failing to remit it to an agency or insurer for its intended purpose, Respondent demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state, thereby providing justification for sanctions under MCL 500.1239(1)(g).
35. As a licensee, Respondent knew or had reason to know that MCL 500.1239(2)(e) provides that she may be sanctioned for violating any insurance laws, regulations, or administrative rules.

36. As set forth above, by violating MCL 500.249, MCL 500.1206(5), MCL 500.1207(1), MCL 500.1238(1), MCL 500.1247(2) and MCL 500.4503(g)(i), Respondent has provided justification for sanctions under MCL 500.1239(2)(e).
37. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order that she cease and desist her unlawful actions and impose sanctions pursuant to MCL 500.150, MCL 500.1239(1)(b), (g) and (2)(e), and MCL 500.1244(1)(a)-(d). Potential sanctions for Respondent's unlawful conduct may include the payment of a civil fine, the refund of any overcharges, that restitution be made to cover losses, damages or other harm attributed to Respondent's violation or violations of the Code, and/or other sanctions, including limitation, revocation, or suspension of Respondent's license.

Now therefore, based upon the findings stated above and the facts surrounding this case, **IT IS ORDERED THAT:**

1. Respondent shall immediately CEASE AND DESIST from further violations of the Code, including but not limited to MCL 500.249, MCL 500.1206(5), MCL 500.1207(1), MCL 500.1238(1), MCL 500.1247(2) and MCL 500.4503(g)(i), MCL 500.1239(1)(b), (g) and (2)(e).
2. Respondent Jennifer Russell's license (System ID No. 0764862) is SUSPENDED commencing the day immediately following issuance of this Order. Respondent's license shall only be reinstated if the conditions in Paragraphs 3 and 4 have been met.
3. Respondent shall respond to DIFS inquiries dated May 2, May 17, June 19, and August 29, 2019 within 30 days of this Order being issued.
4. Respondent shall pay a civil fine of \$500.00. This fine shall be paid by the due date indicated on the DIFS invoice.
5. The 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. If the Respondent fails to satisfy the conditions set forth in Paragraphs 3 and 4 within the time required, a Final Decision shall be entered in this matter revoking the Respondent's license.

Anita G. Fox, Director  
For the Director:



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Randall S. Gregg  
Senior Deputy Director