

**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. 13-11740

Agency No. 13-028-L

Petitioner,

v

Jessica Delisca

System ID No. 0583589

Respondent.

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Issued and entered
on December 10, 2013
by Randall S. Gregg
Special Deputy Director

FINAL DECISION

I. Background

Jessica Delisca (hereinafter Respondent), is a Florida licensed resident producer (W038154). Respondent was licensed as a nonresident producer in the state of Michigan with qualifications in Accident and Health, and Life on July 29, 2011, but was not so licensed during the activity at issue. American Medical and Life Insurance Company (AMLI) is an insurer authorized by a certificate of authority issued by the Department of Insurance and Financial Services (DIFS) to transact insurance in the state of Michigan, effective July 8, 2008. AMLI's Certificate of Authority in Michigan is currently suspended until March 23, 2015. Respondent has never been appointed by AMLI.

Premier Health Plans, Inc. (Premier) is an active licensed, non-resident producer agency in the state of Michigan, with Accident and Health, and Life qualifications. CB is the designated responsible licensed producer (DRLP) for Premier. Premier was licensed during all relevant times; however, Premier was not appointed by AMLI to sell its insurance products. Axis Financial Corporation (Axis) is a for-profit corporation engaged in the business of selling, marketing and servicing insurance policies through licensed insurance agents in states where it is licensed to do so. However, Axis is neither licensed in Michigan nor appointed by AMLI to sell its insurance products.

Axis contracted with Premier to use its agents to sell limited benefit health insurance plans (underwritten by AMLI) to Michigan citizens who were already or would be required to become members of the Consumer Assistance Services Association (CASA) in order to be eligible to purchase the limited benefit health insurance plans. Axis and Premier packaged and marketed the plans under the name of "Premier Health Memberships."

DIFS received information that Respondent violated MCL 500.1201a(1) by selling two Premier Health Plan insurance certificates to Michigan citizens without being licensed and without holding a qualification as an Accident and Health producer in Michigan as the Code requires. After investigation and verification of the information, on July 15, 2013, DIFS issued a Notice of Opportunity to Show Compliance alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-c) of the Code, MCL 500.1239(1) and 500.1244(1)(a-c). Respondent failed to reply to the Notice.

On October 1, 2013, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent. 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 November 8, 2013, 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 Department of Insurance and Financial Services (Director).
2. On or about January 1, 2011, Axis entered into a Program Manager Marketing Services Agreement with AMLI to act as program manager for AMLI for the purpose of marketing and distributing AMLI insurance products in Michigan. A second Program Manager agreement was entered into between Axis and AMLI on January 14, 2012. Both agreements provided for a 3% program manager commission and a 10% representative commission allowance for each sale of AMLI insurance.
3. On or about February 16, 2011, Axis entered into an agreement with Premier for the purpose of marketing and selling AMLI's guarantee issue limited indemnity medical health insurance plans and non-insurance products to members of CASA. The agreement provided that Axis would pay Premier specified commissions for each sale of packaged Premier Health Plans and \$84.00 of a "one-time processing fee" of \$99.00 (also referred

to as an enrollment fee, collected from the clients who would then become “members” of CASA so as to be eligible for the group plans).

4. Premier and Axis then packaged and marketed the guarantee issue limited indemnity medical health insurance plans (underwritten by AMLI) and non-insurance products, known together as “Premier Health Memberships,” to Michigan citizens who were already or would be required to become members of CASA.
 5. On March 23, 2012, DIFS ordered AMLI to Cease and Desist allowing unappointed agencies and other unlicensed, unappointed marketing entities (Program Managers) to sell its products in the state of Michigan.
 6. After an investigation, DIFS’ Staff concluded that Respondent violated the insurance laws of this state.
 7. Specifically, DIFS’ Staff found that between April 15, 2011, and May 15, 2011, prior to becoming a licensed producer in Michigan, Respondent violated MCL 500.1201a(1) by selling two Premier Health Plan insurance certificates to Michigan citizens without being licensed, without holding a qualification as an Accident and Health producer in Michigan as the Code requires, and without being appointed by AMLI.
 8. As a licensee, Respondent knew or had reason to know that Section 1201a(1) of the Code, MCL 500.1201a(1), provides that:
 - (1) A person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with this chapter.
 9. As a licensee, Respondent knew or had reason to know that Section 1208a(1) of the Code, MCL 500.1208a(1), provides that:
 - (1) An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer.
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10. As a licensee, Respondent knew or had reason to know that Section 1240(2) of the Code, MCL 500. 1240(2), provides that:
 - (2) A person shall not accept a commission, service fee, or other valuable consideration for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter and is not licensed.

11. Respondent violated MCL 500.1240(2) by accepting a commission, service fee, or other valuable consideration for selling, soliciting, or negotiating insurance while her Michigan license was suspended and without an appointment by AMLI as required by the Code.
12. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides 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.

13. Respondent has provided justification for sanction, pursuant to Section 1239(1)(b), MCL 500.1239(1)(b) of the Code, by violating MCL 500.1201a(1), MCL 500.1208a(1), and MCL 500.1240(2).
14. DIFS' Staff has made reasonable efforts to serve Respondent and has complied with MCL 500.1238.
15. Respondent has received notice and has been given an opportunity to respond and appear and has not responded or appeared.
16. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

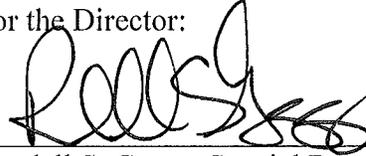
III. Order

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. Respondent's nonresident insurance producer license No. 0583589 is **REVOKED**.

Annette E. Flood
For the Director:

A handwritten signature in black ink, appearing to read "Randall S. Gregg", written over a horizontal line.

Randall S. Gregg, Special Deputy Director