

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**Kenneth Siebert**  
System ID No. 0038769 (Unlicensed)

**Enforcement Case No. 16-14612**

Respondent.

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Issued and entered  
on November 17, 2016  
by Teri L. Morante  
Chief Deputy Director

**ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS  
AND NOTICE OF OPPORTUNITY FOR HEARING**

Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Finding, and

**WHEREAS**, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

**IT IS THEREFORE ORDERED THAT:**

1. The Respondent shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.
2. Respondent shall pay a fine of \$25,000 for his violation of the August 29, 2012, Order requiring that he cease and desist from engaging in the business of adjusting as described in the Statement of Findings.
3. A copy of this Order shall be immediately served upon Respondent. As to any Respondent, this Order shall be effective upon the date of service.
4. Respondent will have 30 calendar days after the service of this Order to contest it by requesting a hearing. Within 10 calendar days after receiving the request, the hearing process shall commence. This Order shall remain in effect until further order of the Director. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Tracy A. Janousek, Hearings Clerk, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8843.

5. Any such hearing held shall address the following issues:
  - a. The facts set forth in the Statement of Findings.
  - b. The continuation of the Order to Cease and Desist.
  - c. Restitution to be paid by the Respondent.
  - d. The \$25,000 fine for Respondent's violation of the August 29, 2012, Order that required him to cease and desist from engaging in the business of adjusting.
6. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System shall preside over any such hearing.
7. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.
8. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:
  - a. Payment of a civil fine of not more than \$1,000 for each violation not to exceed an aggregate civil fine of \$30,000. However, if the person knew or reasonably should have known the conduct was in violation of the Cease and Desist Order, the person shall be subject to a civil fine of not more than \$25,000 for each violation not to exceed an aggregate civil fine of \$250,000.
  - b. Suspension or revocation of the person's license or certificate of authority.
  - c. Complete restitution, in the form, amount, and within the period determined by the Director, to all persons in Michigan damaged by the violation or failure to comply.



Teri L. Morante  
Chief Deputy Director

Dated: Nov. 17, 2016

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**STATEMENT OF FINDINGS**

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 (OFIR) have been transferred to the Director of the Department of Insurance and Financial Services (DIFS).
2. Pursuant to Section 251(1) of the Code, MCL 500.251(1), the Director is empowered to issue a Cease and Desist Order if the Director finds any of the following:
  - (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
  - (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
  - (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.
  - (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare. MCL 500.251(1).
3. Respondent Kenneth Siebert (Respondent) knew or should have known that Section 500.1222(1) of the Code, MCL 500.1222(1), states that “[a] person shall not adjust loss or damage under a policy of insurance or advertise, solicit business, or hold himself or herself out to the public as an adjuster unless he or she is licensed as an adjuster.”
4. DIFS Staff received information about possible unlicensed activity by the Respondent. A review of DIFS’ records revealed that Respondent is not licensed under the Code. Respondent was previously licensed as an adjuster, but his license was revoked by an OFIR Final Order dated August 29, 2012. In that Order, OFIR found that Respondent had

demonstrated a lack of good moral character by collecting a fee from a repair contractor for obtaining repair work for the contractor and failing to pay funds due to the contractor. The Final Order also contained a provision requiring that Respondent cease and desist from engaging in the business of adjusting.

5. In contravention of the August 29, 2012, Order, on March 7, 2016, Respondent entered into what was ostensibly a “consulting” agreement with consumer BM. The “consulting” services that Respondent agreed to provide consisted of “identifying the scope of the loss, the repair costs of the loss, proper presentation of Client’s claim to the insurance company, and such other services associated with the insurance claim as shall be reasonably requested.”
6. By entering into the agreement with BM set forth above, Respondent violated Section 1222(1) of the Code, MCL 500.1222(1), and violated the August 29, 2012, Final Order requiring that he cease and desist from the business of adjusting. Regardless of his characterization of the agreement with BM as a “consulting agreement,” it is clear that Respondent, in fact, agreed to adjust BM’s insurance claim without an adjuster’s license. This conduct is especially egregious given that Respondent was previously licensed as an adjuster and was, thus, well aware that the services he agreed to provide constituted adjusting services for which a license was required. Respondent either knew or reasonably should have known that his agreement with BM represented a violation of the August 29, 2012, Order requiring that he cease and desist from the business of adjusting.
7. Based on the aforementioned findings, Respondent is acting as an insurance adjuster without a license as required by the Code.