

**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. 13-11848  
Agency No. 13-017-L**

Petitioner,

v

**Lincoln Park Insurance Agency, Inc.**  
System ID No. 0095568

Respondent.

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**Issued and entered  
on JUNE 11, 2014  
by Randall S. Gregg  
Deputy Director**

**FINAL DECISION**

**I. Background**

Lincoln Park Insurance Agency, Inc. (hereinafter Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent's Designated Responsible Licensed Producer (DRLP) admitted to using dishonest practices and demonstrating untrustworthiness in the conduct of business by issuing an auto insurance certificate to her client without submitting the corresponding application to the Michigan Automobile Insurance Placement Facility (MAIPF). Her admission indicated that one or more of Respondent's officers or managers either knew or should have known of her misconduct, but Respondent did not report it to the Director or take corrective action providing justification for sanction pursuant to MCL 500.1239(3). Respondent has provided further justification for sanction pursuant to Section MCL 500.1239(1)(b) by failing to respond to a DIFS' inquiry and/or by failing to update its address as required. After investigation and verification, on February 12, 2014, 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)(b), 1239(3) and 1244(1)(a-c) of the Michigan Insurance Code (Code), MCL 500.1239(1)(b), 500.1239(3) and 500.1244(1)(a-c). Respondent failed to reply to the Notice.

On April 2, 2014, DIFS issued and served upon Respondent an Administrative Complaint and Order for Hearing. 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 May 14, 2014, 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 DIFS (Director).
2. At all relevant times, Respondent was a licensed resident agency in the state of Michigan. Respondent has been licensed since June 23, 2011, and its license is currently active.
3. At all relevant times, Kristal Miller (hereinafter DRLP Miller) was a licensed resident producer in the state of Michigan and the DRLP for Respondent. DRLP Miller has been licensed since May 21, 2012, and her license is currently active.
4. On or about April 1, 2013, certificate #102128 was mailed to Respondent by the MAIPF to issue to a new insured.
5. On or about May 31, 2013, the Michigan Office of the Secretary of State (SOS) was presented with certificate number #102128 for which the MAIPF neither received an application, nor found that any application had been created in its Electronic Application and Rating System.
6. Respondent's license number and address were listed on the certificate.
7. DIFS subsequently received a copy of a letter from Terri Miller, Executive Director of the MAIPF, dated August 16, 2013, which indicated that Respondent's appointments with the MAIPF had been cancelled as a result of a "fraudulent use of facility certificates."
8. On August 29, 2013, a DIFS' investigator attempted to visit Respondent to review records. The agency was closed and had a sign on the door referring clients to a Premier Insurance Agency office in Taylor, MI.
9. On September 30, 2013, a DIFS' investigator confirmed that the address on file in the State of Michigan database was the most current address DRLP Miller had provided to DIFS.

10. On October 2, 2013, a DIFS' investigator sent emails to the e-mail addresses on file to Respondent (via the DRLP) requesting a response by October 7, 2013. No response was received.
11. On February 12, 2014, a NOSC was mailed by first class mail to Respondent at the following addresses on file:

Lincoln Park Insurance Agency, Inc.  
c/o Danny Delly, Resident Agent  
7011 Orchard Lake Road, Ste. 104  
West Bloomfield, MI 48322

No response was received.

Lincoln Park Insurance Agency, Inc.  
c/o Danny Delly, Resident Agent  
1711 W. Fort Street  
Lincoln Park, MI 48146

No response was received.

Kristal Miller

DRLP Miller responded in writing to the NOSC and admitted to the allegations contained in it.

12. A search was undertaken of the following to ascertain a correct address for Respondent:
  - a. Bureau of Commercial Services, Corporations Division, Business Entity Search database – no new information was found.

13. The NOSC was also emailed to Respondent's Resident Agent Danny Delly at:  
[ddelly@premierinsuranceagency.com](mailto:ddelly@premierinsuranceagency.com)

No response was received.

14. 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:

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

15. As a licensee, Respondent knew or had reason to know that Section 1238(1) of the Code, MCL 500.1238(1), states that:

(1) When applying for a license to act as an agent, solicitor, counselor, or adjuster, the applicant shall report his or her mailing and electronic mail address to the commissioner. An agent, solicitor, counselor, or adjuster shall notify the commissioner of any change in his or her mailing or electronic mail address within 30 days after the change. The commissioner shall maintain the mailing and electronic mail address of each agent, solicitor, counselor, or adjuster on file.

16. 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:

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(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

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(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

17. As a licensee, Respondent knew or had reason to know that Section 1239(3) of the Code, MCL 500.1239(3), states that:

(3) The license of a business entity may be suspended, revoked, or refused if the commissioner finds, after hearing, that an individual

licensee's violation was known or should have been known by 1 or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was neither reported to the commissioner nor corrective action taken.

18. 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 a DIFS' inquiry pursuant to Section 249(a) of the Code, MCL 500.249(a), and/or by failing to update its address pursuant to Section 1238(1) of the Code, MCL 500.1238(1).
19. Respondent has also provided justification for sanctions pursuant to Section 1239(3) of the Code, MCL 500.1239(3), as DRLP Miller admitted to using dishonest practices and demonstrating untrustworthiness in the conduct of business (MCL 500.1239(1)(h)) by issuing an auto insurance certificate to her client without submitting the corresponding applications to the MAIPF. Her admission indicates that one or more of Respondent's officers or managers either knew or should have known of DRLP Miller's conduct, but Respondent did not report it to the Director or take corrective action.
20. On April 2, 2014, true copies of an Administrative Complaint, Order for Hearing and Notice of Hearing were mailed by first class mail to Respondent at the following addresses of record on file with DIFS:

Lincoln Park Insurance Agency, Inc.  
c/o Danny Delly, Resident Agent  
7011 Orchard Lake Road, Ste. 104  
West Bloomfield, MI 48322

No response was received.

Lincoln Park Insurance Agency, Inc.  
c/o Danny Delly, Resident Agent  
1711 W. Fort Street  
Lincoln Park, MI 48146

No response was received

21. DIFS' staff searched other databases for alternative addresses and no new information was found.
22. DIFS has received no response from the Respondent.
23. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.

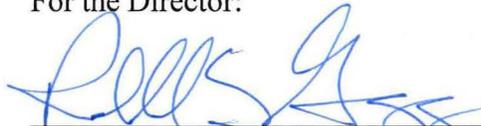
24. DIFS' staff have made reasonable efforts to serve Respondent and has complied with MCL 500.1238(2) and R 500.2107(4).
25. Respondent received notice and was given an opportunity to respond and appear did not respond or appear.
26. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

### III. Order

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

1. Respondent has violated MCL 500.249(a) of the Code.
2. Respondent's DRLP engaged in untrustworthy activity and Respondent neither took corrective action nor reported it to the Director.
3. Respondent shall cease and desist from violating the Code.
4. Respondent shall immediately cease and desist from engaging in the business of insurance.
5. Pursuant to MCL 500.1239(1)(b) and 1239(3), Respondent's resident insurance producer license (System ID No. 0095568) is **REVOKED**.

Annette E. Flood, Director  
For the Director:



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Randall S. Gregg, Deputy Director