

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Marsh USA, Inc.
System ID No. 0004536

Enforcement Case No. 19-15876

Respondent.
_____ /

**Issued and entered
on July 6, 2020
by Randall S. Gregg
Senior 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 Senior Deputy Director finds and concludes that:

1. The Senior 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. During the course of DIFS' investigation, it found violations of MCL 500.1905(3)(d) and MCL 500.1239(1)(b), (d) and (h) for failing to timely file surplus lines taxes.
6. Respondent neither admits nor denies the violations cited in this Order Accepting Stipulation.
7. To resolve this matter and to avoid further costs and proceedings, Respondent has agreed to accept a monetary penalty that reflects the unintentional and technical nature of this violation.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. All agreements contained in the Stipulation to Entry of Order are accepted and adopted in their entirety.
2. Respondent shall pay to the State of Michigan, through DIFS, a civil fine in the amount of \$45,000.00. Respondent shall pay the fine within 60 days upon receipt of the invoice.
3. The Senior 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, if the Respondent violates the terms of this Order, 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.



Randall S. Gregg
Senior Deputy Director

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STIPULATION TO ENTRY OF ORDER


Petitioner Department of Insurance and Financial Services (DIFS) and Marsh USA, Inc. (Respondent) stipulate to the following:

1. At all relevant times, Marsh USA, Inc. (Respondent) was a licensed non-resident insurance producer agency with qualifications in property, casualty, accident and health, life, surety and fidelity. Respondent Agency has been licensed as an active, non-resident surplus lines producer in Michigan since December 6, 2006.
2. On or about February 6, 2020, DIFS served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
3. Specifically, the NOSC contained allegations that Respondent violated MCL 500.1905(3)(d) and MCL 500.1239(1)(b), (d) and (h) for failing to timely file surplus lines taxes.
4. Respondent and DIFS conferred for the purpose of resolving this matter.
5. Respondent exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondent neither admits nor denies the violations cited in the NOSC and desires to avoid the time and expense of formal proceedings and agrees to resolve this matter pursuant to this Stipulation to Entry of Order.
8. Respondent agrees that it will pay to the State of Michigan, through DIFS, a civil fine in the amount of \$45,000.00. Respondent further agrees to pay the civil fine within 60 days upon receipt of the invoice.
9. Respondent agrees to comply with the Code and administrative rules promulgated under it, especially MCL 500.1905(3)(d), and to timely file surplus lines taxes.

10. Respondent will fully cooperate with any follow-up data call reviews, audits and/or investigations initiated by DIFS.
11. Respondent will conduct an internal audit of its surplus lines activities in Michigan from January 1, 2014 to the present and, within 30 days, do all of the following:
 - a. Report the results to DIFS;
 - b. File and pay any unpaid surplus lines taxes; and
 - c. Refund any excess fees discovered.
12. The failure to complete any aspect of this Stipulation to Entry of Order within the time periods indicated herein will result in the following:
 - a. Any fines will be doubled;
 - b. Respondent's licenses will be suspended; and
 - c. DIFS will begin an administrative action for the revocation of Respondent's licenses.
13. All time periods begin on the date that the Order Accepting Stipulation is signed by a DIFS' representative.
14. Respondent has 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.
15. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Senior Deputy Director for approval.
16. Respondent understands and agrees that the Senior Deputy Director may, in his sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Senior Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation. If the Senior Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.



Sarah L. Ribbens, On Behalf of Marsh USA, Inc.

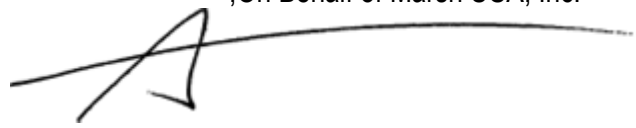


Date

Joshua S. Smith (P63349)
DIFS Staff Attorney

Date

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, On Behalf of Marsh USA, Inc.


Date

7/1/2020

Joshua S. Smith (P63349)
DIFS Staff Attorney

Date