

**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. 18-15359  
Agency No. 19-341-L**

Petitioner,

**v**

**Chris Milianis Insurance Agency**  
System ID No. 0025115

**Chris N. Milianis**  
System ID No. 0086373

Respondents.

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**Issued and entered  
on May 28, 2019  
by Randall S. Gregg  
Senior Deputy Director**

**FINAL DECISION**

**I. Background**

Chris Milianis Insurance Agency (Respondent Milianis Agency) is a licensed insurance producer agency. Chris N. Milianis (Respondent Milianis) is a licensed insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondents failed to remit premium payments for insureds, permitted unlicensed agents to perform licensed duties, and failed to respond to DIFS inquiries. After investigation and verification of the information, on December 5, 2018 DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(1) and 500.1244(1)(a-d). Respondents failed to reply to the NOSC.

On March 8, 2019, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondents on March 13, 2019, at the address they are required to maintain with DIFS. The Order for Hearing required Respondents 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 Respondents planned to attend the hearing, or (3) request an adjournment. Respondent failed to respond or take any action.

On April 26, 2019, DIFS Staff filed a Motion for Final Decision, which was served on Respondent on April 29, 2019. Respondents did not file a reply to the motion. Given Respondents' 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. At all relevant times, Chris Milianis Insurance Agency (Respondent Milianis Agency) was a licensed resident insurance producer agency. Respondent Milianis Agency has been licensed since May 11, 2001.
2. At all relevant times, Chris N. Milianis (Respondent Milianis) was a licensed resident insurance producer. Respondent Milianis has been licensed since September 17, 1993. Respondent Milianis is the designated responsible licensed producer (DRLP) and owner of Respondent Milianis Agency.
3. Collectively, Respondent Milianis Agency and Respondent Milianis will be referred to as Respondents.

### COUNT I

4. On May 29, 2017, GL attempted to renew a commercial auto insurance policy for her company Gerta's Transportation with Respondent Milianis. Respondent Milianis provided GL a certificate of no-fault insurance from Amerisure Insurance Company (Amerisure) for Policy Number [REDACTED] (Policy [REDACTED]). Policy [REDACTED] was to insure a 2015 Chrysler for Gerta's Transportation with an effective date of May 29, 2017, and an expiration date of May 29, 2018.
5. On June 2, 2017, GL wrote check number 1026 (Check 1026) in the amount of \$1,700.00, payable to Respondent Milianis Agency for the down payment of Gerta's Transportation's commercial auto policy.
6. On June 9, 2017, Check 1026 was deposited into the Customer Account for The Milianis Group (aka Respondent Milianis Agency) at Citizens Bank, account number [REDACTED] (Account [REDACTED]).
7. When GL did not receive her policy in the mail, she contacted Amerisure to inquire about the status of the policy. Amerisure informed GL that there was no policy in effect and that her previous policy cancelled on May 22, 2017, when payment was not received on a renewal offer that had been mailed to GL and Respondent Milianis Agency.
8. GL subsequently contacted the Michigan Automobile Insurance Placement Facility (MAIPF) to inquire if the MAIPF had received her down payment or the application Respondent Milianis was to submit on her behalf for Policy [REDACTED]. MAIPF informed GL that they possessed neither the down payment nor the renewal application.

9. Bank statements for June and July 2017 from Citizens Bank for the accounts owned by Respondent Milianis Agency reflect that there was no remittance of premium to any insurance company on behalf of GL, although Check 1026 was deposited on June 9, 2017.
10. As licensees, Respondents knew or had reason to know that Section 1207(1) and (2) of the Code, MCL 500.1207(1) and (2), provides that an “agent shall be a fiduciary for all money received or held by the agent in his or her capacity”, and that “[f]ailure by an agent in a timely manner to turn over money which he ... holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility.” Additionally, “[a]n agent shall use reasonable accounting methods to record funds received in his ... fiduciary capacity including the receipt and distribution of all premiums due each of his ... insurers.” By failing to remit payment to Amerisure in a timely manner and by failing to use reasonable accounting methods to record the distribution of funds received in their fiduciary capacity, Respondents violated Sections 1207(1) and (2) of the Code.
11. As licensees, Respondents knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that they may be sanctioned for violating any insurance laws. As set forth above, Respondents have violated Section 1207(1) and (2) of the Code, MCL 500.1207(1) and (2) and, thus, provided justifications for sanctions, pursuant to Section 1239(1)(b) of the Code.
12. As licensees, Respondents knew or had reason to know that Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), provides that they may be sanctioned for “[i]mproperly withholding ... any money ... received in the course of doing insurance business.” By failing to remit payment to Amerisure that they received from GL, Respondents have improperly withheld money they received in the course of doing business insurance, and, thus, provided justification for sanctions pursuant to Section 1239(1)(d).
13. As licensees, Respondents knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), provides that they 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.” By failing to remit payment to Amerisure that they received from GL, Respondents demonstrated untrustworthiness and financial irresponsibility in the conduct of business and, thus, provided justification for sanctions pursuant to Section 1239(1)(h).

## COUNT II

14. In October of 2015, LC contacted Respondent Milianis Agency and spoke with Zoey Milianis. Zoey Milianis is not licensed as an insurance producer in the state of Michigan. LC requested to have her motorcycle insurance changed to Progressive's “Winter Lay Up” program. Zoey Milianis stated to LC that she would make the requested changes and that whenever LC was ready to ride again to contact Zoey Milianis again and she would place the full policy in effect again. Within 15 days LC received a check from Progressive for the difference in premiums from full coverage to “Winter Lay Up”.
15. In May of 2017, LC once again contacted Respondent Milianis Agency in order to request changing her motorcycle insurance to Progressive's “Winter Lay Up” program as she would be unable to ride her motorcycle the rest of the year due to surgery. She spoke with Zoey Milianis again, who assured

her that the changes would be made and that she would receive a check from Progressive as she had in 2015.

16. On July 25, 2017, LC contacted Respondent Milianis Agency and spoke with Zoey Milianis regarding the status of the requested policy change. Zoey Milianis informed LC that she would look into it and give LC a call back.
17. On July 27, 2017, Pete Milianis contacted LC and identified himself as acting on behalf of Respondent Milianis Agency. Pete Milianis spoke with LC about putting her on a different insurance policy than what she was requesting. Pete Milianis is not licensed as an insurance producer in the state of Michigan. The phone call ultimately ended negatively and LC was compelled to hang up on Peter Milianis on consecutive phone calls.
18. As licensees, Respondents knew or had reason to know that Section 1201a(1) of the Code, MCL 500.1201a(1), makes it unlawful to "sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed for that qualification." By using the services of unlicensed individuals, Zoey and Peter Milianis, to sell, solicit, and negotiate insurance to LC, Respondents violated Section 1201a(1) of the Code.
19. As licensees, Respondents knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that they may be sanctioned for violating any insurance laws. As set forth above, Respondents have violated Section 1201a(1) of the Code, MCL 500.1201a(1) and, thus, provided justifications for sanctions, pursuant to Section 1239(1)(b) of the Code.
20. As licensees, Respondents knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), provides that they 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." By using the services of unlicensed individuals, Zoey and Peter Milianis, to sell, solicit, and negotiate insurance to LC, Respondents demonstrated untrustworthiness in the conduct of business and, thus, provided justification for sanctions pursuant to Section 1239(1)(h).

### COUNT III

21. DIFS Investigator Sara Chaney attempted to contact Respondents in order to request information relative to the above referenced customers on the following dates after an exhaustive search for Respondents' contact information:
  - a. October 30, 2017: Investigator Chaney emailed and sent a fax to Respondents;
  - b. November 27, 2017: Investigator Chaney emailed and sent a letter addressed to Respondent Milianis's home address; the letter was returned to DIFS as "vacant; unable to forward";
  - c. February 8, 2018: Investigator Chaney sent a notice to two email addresses she located for Respondent Milianis; one email was returned as undeliverable; and

- d. March 14, 2018: Investigator Chaney sent a certified letter via USPS, which was unclaimed by Respondents; this letter provided a final deadline of March 28, 2018 to respond to her request for inquiries.
22. On March 14, 2018, at 10:30 a.m., DIFS Investigators attempted an agency visit. The location for Respondents' office was locked and there was no sign of anyone working at the agency. DIFS Investigators left a business card under the door, but nobody contacted DIFS subsequent to this attempted visit.
23. On April 3, 2018, Investigator Chaney attempted to make telephone contact with Respondents on two separate numbers: [REDACTED] and [REDACTED]. The numbers had been disconnected.
24. On August 22, 2018, Investigator Chaney attempted to make telephone contact with Respondent Milianis at [REDACTED]. The number was disconnected.
25. As licensees, Respondents knew or had reason to know that Section 249 of the Code, MCL 500.249, provides that any insurance agent must provide DIFS an opportunity to examine accounts, records, documents and transactions for the purpose of ascertaining compliance with insurance laws. By failing to respond to DIFS inquiries for records and accounts, Respondents violated Section 249 of the Code.
26. As licensees, Respondents knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that they may be sanctioned for violating any insurance laws. As set forth above, Respondents have violated Section 249 of the Code, MCL 500.249 and, thus, provided justifications for sanctions, pursuant to Section 1239(1)(b) of the Code.

#### COUNT IV

27. On August 21, 2017, Respondent Milianis was charged in Macomb County with misdemeanor domestic violence, following an arrest on August 18, 2017, by the Macomb County Sheriff's Department. On October 25, 2017, Respondent Milianis was sentenced to 24 months' probation, \$2,030.00 in fines and court costs, or alternatively 60 days in county jail, after pleading no contest to misdemeanor domestic violence and/or knowingly assaulting a pregnant individual. MCL 750.81(3).
28. Respondent Milianis did not inform DIFS of the criminal prosecution within 30 days of the initial prehearing date.
29. As a licensee, Respondent Milianis knew or had reason to know that Section 1247(2) of the Code, MCL 500.1247(2), provides that he must report to the Director any criminal prosecution taken against him in any jurisdiction within 30 days after the initial pretrial hearing date. By failing to report to DIFS of his criminal prosecution within 30 days of the initial pretrial date, Respondent Milianis violated Section 1247(2).

30. As licensees, Respondents knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that they may be sanctioned for violating any insurance laws. As set forth above, Respondents have violated Section 1247(2) of the Code, MCL 500.1247(2) and, thus, provided justifications for sanctions, pursuant to Section 1239(1)(b) of the Code.

#### COUNT V

31. In June of 2017, Respondent Milianis contacted an acquaintance from church, AG, the owner of Euro Marble and Tile, Inc. Respondent Milianis informed AG that he could assist her in obtaining a worker's compensation and liability policy for her business.
32. On or about June 20, 2017, AG delivered to Respondent Milianis documents he instructed her to provide him in order to procure the insurance policies, as well as check 2156 for \$750.00 (Check 2156) and check 2158 (Check 2158) for \$800.00, both of which were made payable to Milianis Insurance Group.
33. AG never heard from Respondent Milianis following delivery of the documents and the checks. AG attempted to contact Zoey Milianis, who she understood to be the secretary for Respondent Milianis Agency. AG also attempted to meet with Respondent Milianis face to face at the agency location, but the office was empty each time she visited.
34. AG never received any further communication from Respondents nor did she receive policy documents from any insurer.
35. AG ultimately contracted with another agency to procure coverage for her business.
36. Check 2156 and Check 2158 were deposited into Account [REDACTED] on June 21, 2017.
37. Bank statements for June and July 2017 from Citizens Bank for the accounts owned by Respondent Milianis Agency reflect that there was no remittance of premium to any insurance company on behalf of AG, although Check 2156 and Check 2158 were deposited on June 21, 2017.
38. As licensees, Respondents knew or had reason to know that Section 1207(1) and (2) of the Code, MCL 500.1207(1) and (2), provides that an "agent shall be a fiduciary for all money received or held by the agent in his or her capacity", and that "[f]ailure by an agent in a timely manner to turn over money which he ... holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility." Additionally, "[a]n agent shall use reasonable accounting methods to record funds received in his ... fiduciary capacity including the receipt and distribution of all premiums due each of his ... insurers." By failing to remit payment to an insurer in a timely manner and failing to use reasonable accounting methods to record the distribution of funds received in their fiduciary capacity, Respondents violated Sections 1207(1) and (2) of the Code.
39. As licensees, Respondents knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that they may be sanctioned for violating any insurance laws. As set forth

above, Respondents have violated Section 1207(1) and (2) of the Code, MCL 500.1207(1) and (2) and, thus, provided justifications for sanctions, pursuant to Section 1239(1)(b) of the Code.

40. As licensees, Respondents knew or had reason to know that Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), provides that they may be sanctioned for "[i]mproperly withholding ... any money ... received in the course of doing insurance business." By failing to remit payment to an insurer that they received from AG, Respondents have improperly withheld money they received in the course of doing business insurance, and, thus, provided justification for sanctions pursuant to Section 1239(1)(d).
41. As licensees, Respondents knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), provides that they 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." By failing to remit payment to an insurer that they received from AG, Respondents demonstrated untrustworthiness and financial irresponsibility in the conduct of business, and, thus, provided justification for sanctions pursuant to Section 1239(1)(h).

#### COUNT VI

42. On July 6, 2017, RN, owner of Nazarko Painting, LLC, communicated with Respondent Milianis to write a liability insurance policy for his business.
43. On July 6, 2017, RN provided three cashier's checks to Respondent Milianis Agency that totaled \$1,610.00 for the insurance policy RN was led to believe he would receive from The Hartford. Check Number 1628205377 (Check 5377) was for \$750.00. Check Number 1628205378 (Check 5378) was for \$25.00. Check Number 1628205379 (Check 5379) was for \$835.00.
44. The cashier's checks were deposited into Account [REDACTED] on July 12, 2017.
45. Bank statements for July and August of 2017 from Citizens Bank for the accounts owned by Respondent Milianis Agency reflect that there was no remittance of premium to any insurance company on behalf of RN, although Check 5377, Check 5378, and Check 5379 were deposited on July 12, 2017.
46. As licensees, Respondents knew or had reason to know that Section 1207(1) and (2) of the Code, MCL 500.1207(1) and (2), provides that an "agent shall be a fiduciary for all money received or held by the agent in his or her capacity", and that "[f]ailure by an agent in a timely manner to turn over money which he ... holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility." Additionally, "[a]n agent shall use reasonable accounting methods to record funds received in his ... fiduciary capacity including the receipt and distribution of all premiums due each of his ... insurers." By failing to remit payment to an insurer in a timely manner and failing to use reasonable accounting methods to record the distribution of funds received in their fiduciary capacity, Respondents violated Sections 1207(1) and (2) of the Code.

47. As licensees, Respondents knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that they may be sanctioned for violating any insurance laws. As set forth above, Respondents have violated Section 1207(1) and (2) of the Code, MCL 500.1207(1) and (2) and, thus, provided justifications for sanctions, pursuant to Section 1239(1)(b) of the Code.
48. As licensees, Respondents knew or had reason to know that Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), provides that they may be sanctioned for "[i]mproperly withholding ... any money ... received in the course of doing insurance business." By failing to remit payment to an insurer that they received from RN, Respondents have improperly withheld money they received in the course of doing business insurance, and, thus, provided justification for sanctions pursuant to Section 1239(1)(d).
49. As licensees, Respondents knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), provides that they 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." By failing to remit payment to an insurer that they received from RN, Respondents demonstrated untrustworthiness and financial irresponsibility in the conduct of business, and, thus, provided justification for sanctions pursuant to Section 1239(1)(h).

#### COUNT VII

50. On August 1, 2001, Respondent Milianis Agency changed its legal name with the Department of Licensing and Regulatory Affairs (LARA) to The Milianis Group, LLC.
51. Respondent Milianis Agency did not inform DIFS of the legal name change within 30 days.
52. As a licensee, Respondent Milianis Agency knew or had reason to know that Section 1206(5) of the Code, MCL 500.1206(5), requires licensees to inform the Director "of a change of legal name ... within 30 days of the change." By failing to inform DIFS of the change of legal name within 30 days of the August 1, 2001, filing with LARA, Respondent Milianis Agency violated Section 1206(5).
53. As a licensee, Respondent Milianis Agency knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that he may be sanctioned for violating any insurance laws. As set forth above, Respondent Milianis Agency violated Section 1206(5) of the Code, MCL 500.1206(5), and, thus, has provided justification for sanctions pursuant to Section 1239(1)(b).
54. Based upon the actions listed above, Respondents have committed acts that provide justification for the Director to order the payment of a civil fine, the refund of any overcharges, that restitution be made to cover losses, damages or other harm attributed to Respondents' violation or violations of the Code, and/or other licensing sanctions, including revocation of licensure.
55. On December 6, 2018, a Notice of Opportunity to Show Compliance was mailed by first class mail to Respondents at the following address on file: 35 Crocker Blvd, Mt. Clemens, MI 48043, and to 57905 Woodcreek, Lenox, MI 48048. The Lenox, MI mailing was returned "Vacant – Unable to Forward." DIFS received no response to the Mt. Clemens, MI mailing.



56. On March 13, 2019, true copies of an Administrative Complaint, Order for Hearing and Notice of Hearing were mailed by first class mail to Respondents at the following addresses of record on file with DIFS: 35 Crocker Blvd, Mt. Clemens, MI 48043, and to 57905 Woodcreek, Lenox, MI 48048. The Lenox, MI mailing was returned "Vacant – Unable to Forward." DIFS received no response to the Mt. Clemens, MI mailing.
57. DIFS has not received a response from the Respondent.
58. In paragraph 3 of the Order for Hearing, the Respondents were ordered to do one of the following within 21 days of the date of the Order: 1) agree to a resolution with the opposing party, 2) file a response to the allegations in the Administrative Complaint and file a statement that Respondents plan to attend the hearing as scheduled, or 3) file a request for an adjournment. Paragraph 5 states that failure to make the required filing shall constitute the default of Respondents in this contested case.
59. Respondents has failed to take any of the actions required by paragraph 3 of the Order. See Petitioner's Exhibit 1, Affidavit of Christy Capelin. DIFS Staff have made reasonable efforts to serve Respondents and have complied with MCL 500.1238(2).
60. Respondents have received notice and have been given an opportunity to respond and appear and have not responded nor appeared.
61. Respondents are in default and the Petitioner is entitled to have all allegations accepted as true.

### III. Order

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

1. Respondents shall **CEASE** and **DESIST** from violating the Code.
2. Respondents shall immediately **CEASE** and **DESIST** from engaging in the business of insurance.
3. Pursuant to MCL 500.249, MCL 500.1239(1)(b),(e) and (h), and MCL 500.1244(1)(d), Respondents' resident insurance producer licenses (System ID No. 0025115 and System ID No. 0086373) are **REVOKED**.

Anita G. Fox, Director  
For the Director



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Randall S. Gregg, Senior Deputy Director