

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Shanta Renee Morrow
Unlicensed

Enforcement Case No. 19-15663

Respondent.


_____ /

Issued and entered
on OCTOBER 24, 2019
by Randall S. Gregg
Special Deputy Director

FINAL ORDER TO CEASE AND DESIST

1. On September 6, 2019, the Chief Deputy Director issued an Order to Cease and Desist (Order) pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, against Shanta Renee Morrow (Respondent). The copy of the Order is attached to this Final Order to Cease and Desist.
2. The Order contained allegations that Respondent violated MCL 500.1201a(1) and MCL 500.1208a(1) of the Code. Respondent solicited automobile insurance without being licensed, deceived the public by advertising fraudulent insurance, and attempted to sell fraudulent automobile insurance policies on her Facebook page. Respondent was neither licensed in the state of Michigan, nor appointed by an insurance company in the state of Michigan.
3. On September 9, 2019, the Order was mailed to Respondent via first class and certified mail to the last known address of record. No response was received. The Order sent via certified mail was delivered according to United States Postal Service tracking information.
4. The Order advised the Respondent of the opportunity to request a hearing on the Order, as provided in Section 251 of the Code, MCL 500.251, not later than 30 days after the Order was delivered or mailed to the Respondent.
5. Respondent failed to timely request a hearing, therefore the Order is **FINAL and, as ordered:**
 1. The Respondent shall immediately **CEASE** and **DESIST** from all activities in violation of the Code as described in the Statement of Findings.
 2. 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.

3. 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.
4. 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.

By  _____
Randall S. Gregg
Senior Deputy Director
Department of Insurance and Financial Services

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DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

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Issued and entered
on Sept 6, 2019
by Teri L. Morante
Chief Deputy Director

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

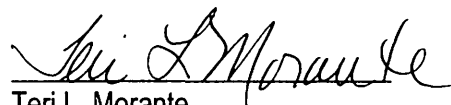
Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

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. 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.
3. 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: Randie Swinson, Hearings Coordinator, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8843.
4. 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.
5. If a hearing is requested, an administrative law judge from the Michigan Office of Administrative Hearings and Rules shall preside over any such hearing.
 6. 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.
 7. 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: Sept 6, 2019

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STATEMENT OF FINDINGS

1. 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).
2. Under Section 1201a(1) of the Code, it is a violation for a person to sell, solicit, or negotiate insurance in this state for any line of insurance without first obtaining a license or qualification for that line. MCL 500.1201a(1).
 - a. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. MCL 500.1201(m).
 - b. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company. MCL 500.1201(n).
 - c. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company. MCL 500.1201(o).

3. Under Section 1208a(1) of the Code, an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. MCL 500.1208a(1).
4. DIFS Staff received information about possible unlicensed activity by Shanta Renee Morrow (Respondent). A review of DIFS' records revealed that Respondent is not licensed under the Code.
5. After an investigation, DIFS Staff concluded that Respondent has engaged in activities regulated by the Code, without the requisite license, and has violated the insurance laws of this state.
6. Specifically, DIFS Staff found that Respondent is advertising and attempting to sell automobile insurance. Automobile insurance was advertised on her Facebook page and in Facebook groups. Respondent posted:

AAA insurance; Tags; Renew Tags; New Car; Drive Off Lot With New Car; Rentals Insurance; 150 6months No fault; 200 12months No fault; 325 6monthsFullCoverage; 485 12 monthsFullCoverage; Price is based off vehicle; Ask about our low down payments; Benefits-Towing, Emergency Starting, Battery Service, Flat Tire Service, Flat Rate, Monthly Payments, Fuel Delivery & More Get Your Free Quote Today; All members are entitled to four road service calls per membership year to eligible vehicles. Join Now; The number on insurance that gets you right. Inbox If interested or comment.
7. Between May 29, 2019, and June 20, 2019, Respondent made multiple posts on Facebook advertising the sale of insurance.
8. On June 13, 2019, DIFS' investigator contacted a staff member at the Michigan Department of State (MDOS) and obtained a Michigan Photo ID for Respondent. The ID matches Respondent's Facebook profile photo and the photos connected to the aforementioned Facebook posts.
9. By advertising and selling insurance without the requisite license, Respondent has violated Section 1201a(1) of the Code, MCL 500.1201a(1). Moreover, Respondent engaged in fraudulent insurance acts under Section 4503(g)(i) of the Code, MCL 500.4503(g)(i), by attempting to divert funds of an insurer or other persons in connection with the transaction of insurance. Respondent, therefore, has violated MCL 500.1201a(1) and MCL 500.4503(g)(i). Respondent is, therefore, subject to sanctions under Section 1239(1)(b) of the Code, MCL 500.1239(1)(b) and Section 1244 of the Code, MCL 500.1244. Furthermore, if the above facts are found to be true, Respondent's violation of Section 4503(g)(i) may also be considered a felony under Section 4511 of the Code, MCL 500.4511.
10. By acting as an agent for various carriers without an appointment, Respondent has violated Section 1208a(1) of the Code, MCL 500.1208a(1). Respondent is, therefore, subject to sanctions under Section 1239(1)(b) of the Code, MCL 500.1239(1)(b) and Section 1244 of the Code, MCL 500.1244.