

**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. 20-16112**  
**Agency No. 20-039-L**

Petitioner,

**v**

**Annette M. Murphy**  
System ID No. 0674254

Respondent.

\_\_\_\_\_ /

Issued and entered  
on **September 18, 2020**  
by **Randall S. Gregg**  
Senior Deputy Director

**ORDER**

**I. Background**

Annette M. Murphy (Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to respond to a letter of inquiry from DIFS regarding a March 31, 2020, consumer complaint filed against her. The complaint alleged Respondent failed to timely cancel a customer's insurance policy as requested. After an investigation and verification of the information, on April 23, 2020, 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(2) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(2) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On July 7, 2020, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address she is required to maintain with DIFS. 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 respond or take any action.

On August 6, 2020, DIFS staff filed a Motion for Order (Motion). On August 20, 2020, Respondent contacted DIFS by telephone and requested additional time to respond to the Motion and initial inquiry. Respondent was given until August 26, 2020, to provide a written response. No response was received. On

September 4, 2020, DIFS staff sent an email to Respondent advising her that if a written response was not received by September 9, 2020, additional enforcement action may occur. To date, no written response has been received. Given Respondent's failure to respond, Petitioner's motion is granted.

## II. Findings of Fact and Conclusions of Law

1. Respondent is a licensed resident insurance producer, authorized to transact the business of insurance in Michigan, with qualifications in casualty and property, and her license is currently active.
2. On April 1, 2020, DIFS staff sent a letter of inquiry to Respondent at her email address of record, which she is required per the Code to keep current with DIFS. The letter requested a written response to a March 31, 2020, consumer complaint filed against Respondent. No response was received.
3. The consumer complaint alleged that Respondent failed to timely cancel the complainant's insurance policy as requested.
4. On April 23, 2020, an NOSC was sent to Respondent at her email and mailing addresses of record. No response was received.
5. On May 4, 2020, DIFS staff sent correspondence to a secondary email address on file with copies of the April 1 and April 23, 2020, letters requesting a response by May 8, 2020. No response was received. DIFS staff also contacted Respondent at her telephone number of record and a second telephone number on file.
6. Respondent has failed to respond and none of the previously sent correspondence has been returned to DIFS by email or by the United States Postal Service (USPS).
7. On July 9, 2020, true copies of an Administrative Complaint, Order for Hearing and Notice of Hearing were mailed by first class mail to Respondent at her address of record. No response was received, and the mail was not returned by the USPS.
8. In paragraph 3 of the Order for Hearing, the Respondent was 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 Respondent plans 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 Respondent in this contested case.
9. On August 6, 2020, DIFS staff filed a Motion for Order (Motion). On August 20, 2020, Respondent contacted DIFS by telephone and requested additional time to respond to the Motion and initial inquiry. Respondent was given until August 26, 2020, to provide a written response. No response was received. On September 4, 2020, DIFS staff sent an email to Respondent advising her that if a written response was not received by September 9, 2020, additional enforcement action may occur. To date, no written response has been received.
10. 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 the Director may initiate proceedings to examine the accounts, records,

documents and transactions pertaining to any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.

11. As a licensee, Respondent knew or had reason to know that Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), states that the Director 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 for violating any insurance laws or violating any regulation, subpoena, or order of the Director.
12. As a licensee, Respondent knew or had reason to know that Section 1244(1)(a-c) of the Code, MCL 500.1244(1)(a-c), provides that the Director may order the payment of a civil fine of up to \$1,000.00 for each violation and up to \$5,000.00 for each violation if the Director finds that the person knew or reasonably should have known that he or she was in violation of the Code. The Director may also require the person to refund any overcharges and pay restitution to cover losses, damages, or other harm they caused by violating the Code. Pursuant to Section 1244(1)(d) of the Code, MCL 500.1244(1)(d), the Director may order suspension or revocation of licensure.
13. Respondent has provided justification for sanctions, pursuant to Sections 1239(2)(e) and 1244(1) of the Code, by failing to respond to letters of inquiry from DIFS staff as required pursuant to Section 249(a), MCL 500.249(a).
14. 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.
15. Having made reasonable efforts to serve Respondent and having complied with MCL 500.1238(2), Petitioner now seeks sanctions up to and including REVOCATION of licensure.
16. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.
17. Respondent has received notice and has been given an opportunity to respond and has not responded.

### III. Order

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

1. Respondent shall **CEASE** and **DESIST** from violating the Code.
2. Respondent's license (System ID No. 0674254) is **SUSPENDED** commencing the day immediately following the issuance of this Order. Respondent's license shall only be reinstated if the conditions in Paragraphs 3 and 4 of this Order have been met.
3. Respondent shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$1,000.00. This fine shall be paid by the due date indicated on the DIFS invoice.
4. Respondent shall respond to the original April 1, 2020, letter of inquiry within 30 days from the date this Order is served.

5. The 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 in accordance with the Code. If the Respondent fails to satisfy the conditions set forth in Paragraphs 3 and 4 within the time required, a Final Decision shall be entered in this matter revoking the Respondent's license.

Anita G. Fox, Director  
For the Director:

A handwritten signature in black ink, appearing to read "RS Gregg", written over a horizontal line.

Randall S. Gregg  
Senior Deputy Director