

**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**

Petitioner,

**Docket No. 14-000708-DIFS**

**Agency No. 13-394-L**

**Enforcement Case Nos. 13-11744**

**13-11791**

v

**PREMIER HEALTH PLANS, INC.**  
**System ID No. 0093749**

**CRAIG STEVEN BERNSTEIN**  
**System ID No. 0531488**

**TERRY MICHAEL ALVARADO**  
**System ID No. 0559726**

Respondents.

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**CONSENT ORDER AND STIPULATION**

Issued and entered,  
on March 21, 2014,  
by Teri L. Morante  
Chief Deputy Director

**I.**

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Pursuant to Executive Order 2013-1 the Director has assumed the statutory authority and responsibility, granted to the Commissioner by the Insurance Code (Code), to exercise general supervision and control over persons transacting the business of insurance in Michigan.
2. American Medical and Life Insurance Company (AMLI) is an insurer which was duly authorized, by a subsisting certificate of authority issued by the Department of Insurance and Financial Services (DIFS), to transact insurance in the state of Michigan. AMLI's Certificate of Authority in Michigan was suspended on March 23, 2012. AMLI offered

limited medical benefits in the state of Michigan. AMLI's place of business is located at 14 Wall Street, 5H, New York, New York 10005.

3. Respondent Premier Health Plans, Inc. (Premier) is a Michigan licensed, non-resident insurance producer agency with Accident and Health qualifications. Premier is located at 1770 NW 64<sup>th</sup> Street, Suite 620, Ft. Lauderdale, FL 33309. Premier was licensed during all relevant times.
4. Respondent Craig Steven Bernstein is a Michigan licensed, non-resident insurance producer in the state of Michigan with Accident and Health, and Life qualifications. Mr. Bernstein was appointed by AMLI from April 1, 2011, through March 22, 2012, during which time Mr. Bernstein was the designated responsible licensed producer (DRLP) for Premier. As the DRLP, Respondent Bernstein was responsible for Premier's compliance with Michigan's insurance laws, rules, and regulations.
5. Respondent Terry Michael Alvarado is a licensed non-resident insurance producer in the state of Michigan with Accident and Health, and Life qualifications. Mr. Alvarado is currently the designated responsible licensed producer (DRLP) for Premier. He became the DRLP for Premier on October 1, 2012. As the DRLP, Respondent Alvarado is responsible for Premier's compliance with Michigan's insurance laws, rules, and regulations.
6. Axis Financial Corporation (Axis), located at 262 E. Main Street, Rockaway, New Jersey 07866, is neither licensed in Michigan nor appointed by AMLI to sell its insurance products.
7. On or about January 1, 2011, Axis, through its President Ty Bruggemann, entered into a Program Manager Marketing Services Agreement with AMLI, to act as a program manager with the purpose of marketing and distributing AMLI insurance products in multiple jurisdictions, including Michigan. A second Program Manager agreement was entered into between Axis, through its successor, President Gregg D. Trautmann, and AMLI on January 14, 2012. Both agreements provided for a 3% program manager commission and a 10% representative commission allowance for each sale of AMLI's insurance products.
8. On or about January 16, 2011, Premier entered into an agreement with Axis for the purpose of representing Axis and its client, Consumer Assistance Services Association (CASA), by marketing and selling insurance and non-insurance products. The agreement provides specified commissions for packaged Premier Health Plans and a portion of a "one-time processing fee" of \$99.00, also known as an "enrollment fee."
9. Premier and Axis packaged and marketed a group limited medical benefit health insurance plan in Michigan issued by AMLI to CASA under the name of Premier.

**COUNT I**  
**USE OF UNLICENSED AGENTS**

10. Between April 15, 2011 and May 15, 2011, Christopher James Chase (Chase) sold three Premier Health Plan certificates to Michigan insureds. Chase was not licensed in Michigan at the time he sold the foregoing certificates. Subsequent to Axis Financial paying Premier commissions for those insurance sales, Premier paid commissions to Chase for selling the insurance products. Chase acted on behalf of the DRLP by soliciting, negotiating, or selling insurance as a subagent.
11. Between April 15, 2011 and May 15, 2011, Karl Canaii (Canaii) sold three Premier Health Plan certificates to Michigan insureds. Canaii was not licensed in Michigan at the time he sold the foregoing certificates. Subsequent to Axis Financial paying Premier commissions for the insurance sales, Premier paid commissions to Canaii for selling the insurance products. Canaii acted on behalf of the DRLP by soliciting, negotiating, or selling insurance as a subagent.
12. Between May 1, 2011 and May 15, 2011, and prior to being a licensed producer in Michigan, Jessica Delisca (Delisca) sold two Premier Health Plan certificates to Michigan insureds. Subsequent to Axis Financial paying Premier commissions for those insurance sales, Premier paid commissions to Delisca for selling the insurance products. Delisca acted on behalf of the DRLP by soliciting, negotiating, or selling insurance as a subagent.
13. Between May 1, 2011 and May 15, 2011, John Rassman (Rassman) sold two Premier Health Plan certificates to Michigan insureds. Rassman was not licensed in Michigan at the time he sold the foregoing certificates. Subsequent to Axis Financial paying Premier commissions for those insurance sales, Premier paid commissions to Rassman for selling the insurance products. Rassman acted on behalf of the DRLP by soliciting, negotiating, or selling insurance as a subagent.
14. Between May 1, 2011 and June 1, 2011, Marc Walters (Walters) sold two Premier Health Plan certificates to Michigan insureds. Walters was not licensed in Michigan at the time he sold the foregoing certificates. Subsequent to Axis Financial paying Premier commissions for those insurance sales, Premier paid commissions to Walters for selling the insurance products. Walters acted on behalf of the DRLP by soliciting, negotiating, or selling insurance as a subagent.
15. Between May 15, 2011 and June 15, 2011, and prior to being a licensed producer in Michigan, Thurman Wilson (Wilson) sold four Premier Health Plan certificates to Michigan insureds. Subsequent to Axis Financial paying Premier commissions for insurance sales, Premier paid commissions to Wilson for selling the insurance products. Wilson acted on behalf of the DRLP by soliciting, negotiating, or selling insurance as a subagent.

16. Thus, between April 14, 2011 and June 15, 2011, Premier sold 16 certificates of insurance issued by AMLI to Michigan insureds using unlicensed sub-agents. Subsequent to Axis Financial paying Premier commissions for insurance sales, Premier paid commissions to subagents for selling AMLI's insurance products to Michigan insureds.
17. Respondents Premier and Bernstein knew or had reason to know that Section 1201a(1) of the Code, MCL 500.1201a(1), states, "A person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with this chapter."
18. Respondents Premier and Bernstein knew or had reason to know that Section 1208a(1) of the Code, MCL 500.1208a(1), states, "An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed."
19. Respondents Premier and Bernstein knew or had reason to know Section 1207(3) of the Code, MCL 500.1207(3), states, "Except as provided in section 1212 and subsection (4), an agent shall not reward or remunerate any person for procuring or inducing business in this state, furnishing leads or prospects, or acting in any other manner as an agent."
20. Respondents Premier and Bernstein knew or had reason to know Section 1240(2) of the Code, MCL 500.1240(2), states, "A person shall not accept a commission, service fee, or other valuable consideration for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter and is not licensed."
21. Respondents Premier and Bernstein knew or had reason to know Section 1239(1)(l) of the Code, MCL 500.1239(1)(l), states, "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 ... for ... [k]nowingly accepting insurance business from an individual who is not licensed."
22. Respondents Premier and Bernstein knew or had reason to know Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states, "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 ... for ... [v]iolating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner."
23. By engaging in the foregoing conduct, Respondents Premier and Bernstein violated MCL 500.1201a(1), MCL 500.1207(3), MCL 500.1208a(1), and MCL 500.1240(2) and have provided justification for sanctions pursuant to MCL 500.1239 and MCL 500.1244.

**COUNT II**  
**VIOLATION OF PRIOR CEASE AND DESIST ORDER**

24. On March 23, 2012, the Director of DIFS issued an Order to Cease and Desist (Order) to Respondent Premier with a Statement of Findings and Opportunity for Hearing, Enforcement Case No. 12-11497. The Order was issued pursuant to Section 251 of the Code, MCL 500.251.
25. On or about March 27, 2012, the Order was mailed to Premier via certified mail to Premier's last known address.
26. On or about April 2, 2012, Premier received the Order. Premier did not request a hearing as required by the Order.
27. On or about June 26, 2012, a DIFS Examiner conducted a broad internet search of AMLI insurance plan advertisements and discovered that Premier was continuing to advertise and offer AMLI limited medical benefit plans in Michigan via the internet.
28. Premier knew or should have known that the Code provides as the Cease and Desist Order states, "(7) 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 Commissioner, to all persons in Michigan damaged by the violation or failure to comply."
29. Premier knew or had reason to know Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states, "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 ... for [v]iolating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner."
30. By engaging in the foregoing conduct, Premier knowingly violated the Director's March 23, 2012, Cease and Desist Order, and MCL 500.251.

31. On February 22, 2013, DIFS issued a Final Order to Cease and Desist against Premier.

**COUNT III**  
**MISLEADING ADVERTISING**

32. On or about February 28, 2013, the DIFS Examiner again conducted an internet search of Premier Health Plans and discovered that Premier was advertising an insurance plan known as “Premier Health Plan” (Plan) described as “limited indemnity insurance coverage.” The Plan’s advertisement indicated that the Plan is available in Michigan. Upon further review of the Plan, it was found that the advertisement:
- a. failed to disclose an insurer,
  - b. indicated membership in an association, but failed to disclose the association,
  - c. stated that “Premier Health Plans is an innovative insurance firm” and does not disclose that Premier is an insurance agency or that it is not an insurance company,
  - d. indicated that the insurance Plan is “Guarantee Issue,” and “For Everybody,” but does not fully disclose access limitations,
  - e. implied that the Plan is an actual plan and not a fictitious plan used as a lead generating device,
  - f. stated that Premier had a “wide variety of solutions for any number of situations,” whereas Premier had only one underwriter with limited plans available,
  - g. failed to include a policy form number within the advertisement.
33. Respondents Premier and its DRLP Alvarado knew or had reason to know Rule 4(1) of the Michigan Accident and Sickness Insurance Advertising Rules, R 500.654(1) states, “The format and content of an advertisement of an accident or sickness insurance policy shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the [director] from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence within the segment of the public to which the advertisement is directed.”
34. Respondents Premier and its DRLP Alvarado, knew or had reason to know Rule 4(4) of the Michigan Accident and Sickness Insurance Advertising Rules, R 500.654(4) states, “An insurer, agent, or other person shall not solicit a resident of this state for the purchase of accident and sickness insurance in connection with, or as the result of, the use of any advertisement by such connection with, or as the result of, the use of any advertisement by such person or any other person where the advertisement does either of the following:

- a. Contains any misleading representations or misrepresentations or is otherwise untrue, deceptive, or misleading with regard to the information imparted, the status, character, or representative capacity of such person, or the true purpose of the advertisement.
  - b. Otherwise violates the provisions of these rules.”
35. Respondents Premier and its DRLP Alvarado, knew or had reason to know Rule 4(5) of the Michigan Accident and Sickness Insurance Advertising Rules, R 500.654(5) states, “An insurer, agent, or other person shall not solicit a resident of this state for the purchase of accident and sickness insurance through the use of a true or fictitious name which is deceptive or misleading with regard to the status, character, or proprietary or representative capacity of such person or the true purpose of the advertisement.”
36. Respondents Premier and its DRLP Alvarado, knew or had reason to know Rule 5(1) of the Michigan Accident and Sickness Insurance Advertising Rules, R 500.655(1) states, “An advertisement shall not omit information or use words, phrases, statements, references, or illustrations if the omission of the information or use of the words, phrases, statements, references, or illustrations has the capacity, tendency, or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of a policy benefit payable, loss covered, or premium payable. The fact that the policy offered is made available to a prospective insured for inspection before consummation of the sale or that an offer is made to refund the premium if the purchaser is not satisfied does not remedy misleading statements.”
37. Respondents Premier and its DRLP Alvarado knew or had reason to know Rule 14(1) of the Accident and Sickness Insurance Advertising Rules, R 500.664(1) states, “The name of the actual insurer shall be stated conspicuously in all of its advertisements. The form number of the policy advertised shall be stated in an advertisement which is an invitation to contract. An advertisement shall not use any of the following without disclosing the name of the actual insurer:
  - a. A trade name
  - b. An insurance group designation.
  - c. Name of the parent company of the insurer.
  - d. Name of a particular division of the insurer
  - e. Service mark.
  - f. Slogan.
  - g. Symbol.

- h. Any other device which would have the capacity and tendency to mislead or deceive as to the true identity of the insurer.”
38. Respondents Premier and its DRLP Alvarado, knew or had reason to know Rule 14(11) of the Michigan Accident and Sickness Insurance Advertising Rules, R 500.664(11) states, “The use of the name of an agency or “\_\_\_\_\_ underwriters” or “\_\_\_\_\_ plan” in a type, size, and location that has the capacity and tendency to mislead or deceive as to the true identity of the insurer is prohibited.”
39. Respondents Premier and its DRLP Alvarado, knew or had reason to know Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states, “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 ... for ... violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state’s insurance commissioner.”
40. By engaging in the conduct as described in paragraphs 31, Respondents Premier and Alvarado violated R 500.654(1), R 500.654(4), R 500.654(5), R 500.655(1), R 500.664(1), and R 500.664(11) and provides justifications for sanctions pursuant to MCL 500.1239 and MCL 500.1244.

**COUNT IV**  
**UNFAIR METHOD OF COMPETITION**

41. Larry Brian Dearman is a Michigan licensed, non-resident producer in the state of Michigan with Accident and Health, and Life qualifications. Mr. Dearman has indicated that he is employed by Premier.
42. On March 2, 2013, at about 11:15 a.m. (EST), DIFS’ examiner called Premier’s telephone number (877) 779-0840 as a secret shopper, using the alias of Mike Smith, to inquire about Premier’s advertised health Plan. The examiner spoke with Karl Canaii who misrepresented himself as a licensed insurance agent and who failed to provide his license number to the examiner despite repeated requests. After multiple requests by the examiner for the name of the insurance company behind the advertised Plan, Mr. Canaii stated that the insurer of Premier’s advertised Plan was AWA. When asked if AWA was the underwriter and the company that would be paying claims, he indicated, “Yes.”
43. After being disconnected from the telephone call with Mr. Canaii, the examiner redialed Premier’s telephone number and was directed to Larry Dearman. Mr. Dearman verified his credentials and indicated that the Plan was not underwritten by AWA, but by Freedom Life Insurance Company of America (Freedom Life), and AWA was the association necessary to write group insurance to individuals. Mr. Dearman stated that AWA stood for American Workers Association and that it was affiliated with Homeland Health Care. The examiner subsequently learned that there are two AWAs associated with Homeland Health Care, American Workers Association and Affiliated Workers

Association. Neither of the foregoing associations advertised health plans that were in any way similar to the benefits advertised by Premier or underwritten by Freedom Life. Both advertised AWA plans were underwritten by National Union Fire Insurance Company of Pittsburg, PA (National Union Fire).

44. Respondents Premier and its DRLP, Alvarado knew or had reason to know that Section 2003 of the Code, MCL 500.2003, states, "A person shall not engage in a trade practice which is defined in this uniform trade practices act or is determined pursuant to this act to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance."
45. Respondents Premier and its DRLP, Alvarado, knew or had reason to know that Section 2007 of the Code, MCL 500.2007, states, that unfair methods of competition and unfair and deceptive acts or practices in the business of insurance is defined as the, "Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive or misleading."
46. Respondents Premier and its DRLP, Alvarado, knew or had reason to know Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states, "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 ... for ... [v]iolating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner."
47. Respondents Premier and its DRLP, Alvarado, knew or had reason to know Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), states, "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 ... 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."
48. By advertising health plans purportedly included in a benefits package advertised by American Workers Association and/or Affiliated Workers Association for its members, and underwritten by Freedom Life, when in fact the plans were no way associated with the foregoing associations or insurer, Respondents Premier and Alvarado advertised plans contained representations or assertions that were untrue, deceptive or misleading in violation of MCL 500.2007.

49. By advertising plans that represented that they were associated with American Workers Association and/or Affiliated Workers Association and underwritten by Freedom Life when in fact the plans were no way associated with the foregoing associations or insurer, Respondents Premier and Alvarado advertised plans contained representations or assertions that were untrue, deceptive or misleading in violation of MCL 500.2003 and MCL 500.2007 and provides justifications for sanctions pursuant to MCL 500.1239(1)(b), MCL 500.1239(1)(h) and MCL 500.1244.

**COUNT V**  
**FAILURE TO RESPOND AND PROVIDE INFORMATION**

50. On March 27, 2012, DIFS sent Respondent Premier a Market Conduct examination data request letter by U.S. Postal Service (Postal), Certified Mail (No.: 7010 1870-0002-6938-9070), which required Respondent Premier to respond by April 6, 2012 (Request No. 1). According to the Postal records, the certified letter was delivered on April 4, 2012. Respondent Premier did not initially respond to this request.
51. On June 26, 2012, the Examiner sent an email follow-up to the DRLP (Craig Bernstein) at craig@phpinsure.com, reiterating Premier's obligation to respond to the Request No. 1, citing applicable section of the Code, MCL 500.249.
52. On July 13, 2012, Joseph R. Gibson, Esq. contacted the examiner by phone regarding Premier's response to DIFS initial data call of March 27, 2012. Mr. Gibson identified himself as counsel for Premier and indicated communications and information would pass through him. An email follow-up to this conversation was sent from Mr. Gibson to the examiner on July 13, 2012, with one attachment intended as Premier's response to Request No. 1.
53. Respondent's attorney, Mr. Joseph R. Gibson, Esq., provided the examiner with the following contact information: 9112 Griffin Road, Suite E, Cooper City, FL 33328; Phone: 954-434-1212; Fax: 954-533-7425; email: josephrgibson@comcast.net.
54. On July 13, 2012, the examiner sent an email to Mr. Gibson, which included a request for an explanation for Premier's delay in responding to Request No. 1.
55. On July 13, 2012, the examiner sent another email to Mr. Gibson, explaining that Premier's response to Request No. 1 was incomplete and providing guidance in order to assist the company with providing a complete response.
56. On July 13, 2012, Mr. Gibson replied to the examiner's email, acknowledging the request by explaining that he was passing the email along to his contact at Premier and asking for a "working deadline." The examiner replied to this email conveying that "2 weeks" was ideal.

57. On July 25, 2012, DIFS received Premier's response to Request No. 1 by Express Mail delivery. On July 30, 2012, Mr. Gibson requested by email a confirmation of delivery, which included instructions to contact him should the examiner require anything further. On August, 1, 2012, the examiner confirmed the delivery by email reply.
58. On March 7, 2013, the examiner sent an email to Mr. Gibson with follow-up questions to Premier's response to Request No. 1 (Request No. 2). Mr. Gibson responded stating that he had passed the request along to Premier and that he would forward Premier's response when he received.
59. On March 15, 2013, the examiner sent a follow-up email to Mr. Gibson indicating that a response to Request No. 2 should have been received by DIFS and requested a response to Request No. 2 by Monday, March 18, 2013.
60. On April 24, 2013, the examiner sent another email to Mr. Gibson requesting a response to Request No. 2, and requested additional information (Request No. 3). This request cited MCL 500.249 requirements, reiterated the outstanding requests, and established a due date of May 8, 2013.
61. On May 3, 2013, the examiner sent another email to Mr. Gibson requesting additional information (Request No. 4).
62. On May 17, 2013, Mr. Gibson replied to DIFS April 24, 2013 Requests Nos. 2 and 3, stating that the information requested was being compiled and that responses would be sent shortly. Mr. Gibson sent a second email advising that Craig Bernstein was no longer with Premier and asserted that he would provide an email address for the agent at Premier. No response to the requests was received.
63. On June 10, 2013, the examiner left a message with Mr. Gibson's office and sent a follow-up email explaining that if the examiner had not received a response to Premier's outstanding requests by Friday, June 14, 2013, the Examiner would have no choice but to refer the matter to DIFS Office of General Counsel for failure to respond and request administrative action against Premier's producer license and the license of the DRLP.
64. DIFS did not receive a response from Respondents addressing some of its inquiries until Respondents were required to file a response to a complaint filed by DIFS seeking to revoke Respondents' insurance producer licenses. DIFS received a response to its complaint on or about October 8, 2013. However, the response did not fully address DIFS' inquiries or many of the violations stated in the complaint.
65. Respondents Premier and Alvarado knew or had reason to know that Section 249 of the Code, MCL 500.249, states in pertinent part, "For the purposes of ascertaining compliance with 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]ny insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.”

66. Respondents Premier and Alvarado knew or had reason to know Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states, “In addition to any other powers under this act, 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] [v]iolating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state’s insurance commissioner.”
67. By engaging in the foregoing conduct, Respondents Premier and Alvarado violated MCL 500.249 and have provided justifications for sanctions pursuant to MCL 500.1239(1)(b) and MCL 500.1239(3).

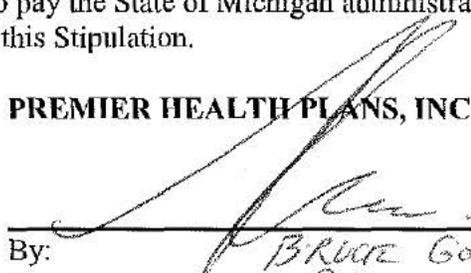
## II. STIPULATION

1. Respondents have read and understand the Consent Order above. Respondents agree that the Chief Deputy Director has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. Respondents waive the right to a hearing in this matter if this Consent Order is issued. Respondents understand that the Consent Order and Stipulation will be presented to the Chief Deputy Director for approval and the Chief Deputy Director may or may not issue this Consent Order. Respondents waive any objection to the Director deciding this case following a hearing in the event the Consent Order is not approved.
2. Respondents agree and admit that the above referenced conduct as set forth in the Findings of Fact and Conclusions of Law constitutes a violation of: MCL 500.1201a(1), MCL 500.1207(3), MCL 500.1208a(1), MCL 500.1240(2), MCL 500.251, MCL 500.2003, MCL 500.2007, MCL 500.249, R 500.654(1), R 500.654(4), R 500.654(5), R 500.655(1), R 500.664(1), and R 500.664(11) and justify sanctions pursuant to MCL 500.1239, MCL 500.1244 and MCL 500.2038.
3. This Stipulation entered into is a settlement of disciplinary action pursuant to Chapters 12 and 20 of the Insurance Code and applicable rules arising out of the above described matters only, and shall not be deemed a waiver in any manner of the rights, duties or obligations of DIFS with respect to any other violation by the Respondents of the statutes and regulations governing the conduct of insurance producers in the state of Michigan.
4. Respondents and DIFS understand and agree that it is the intent and purpose of this Stipulation to resolve all issues pertaining to the DIFS’s allegation of the matters referenced above. This Stipulation shall not be deemed in any matter to prevent DIFS from commencing any other agency action, relating to any other conduct of the Respondents, without regard to whether such conduct occurred prior or subsequent to the date of this Stipulation.

5. Respondents expressly agree and acknowledge that they entered into this Stipulation knowingly and voluntarily. Regardless of whether Respondents have been represented by legal counsel, Respondents affirm that they have read this Stipulation and fully understand its nature, meaning and content. Respondents agree that upon execution of this Stipulation, no subsequent action or assertion shall be maintained or pursued asserting the invalidity in any manner of this Stipulation and Order and the provisions of these documents. Respondents further agree that failure to comply with this prohibition constitutes a material default of this Stipulation and Order.
6. Respondents agree that upon executing this Stipulation, they will immediately surrender their insurance producer licenses to DIFS.
7. Respondent Premier Health Plans, Inc. agrees to pay the State of Michigan administrative fees in the amount of \$15,000 immediately upon execution of this Stipulation.
8. Respondent Craig Bernstein agrees to pay the State of Michigan administrative fees in the amount of \$2,500 immediately upon execution of this Stipulation.
9. Respondent Terry Alvarado agrees to pay the State of Michigan administrative fees in the amount of \$2,500 upon execution of this Stipulation.

**PREMIER HEALTH PLANS, INC.**

Dated: 3-11-14

By:   
Its: BRUCE GOLDBERG -  
PRESIDENT

Dated: 3/11/14

  
CRAIG STEVEN BERNSTEIN

Dated: 3/11/14

  
TERRY MICHAEL ALVARADO

The Department of Insurance and Financial Services staff approves this Stipulation and recommend that the Senior Deputy Director issue the above Consent Order.

Dated: 3/13/14

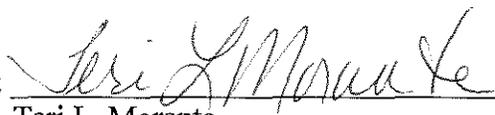
  
Marlon F. Roberts  
Staff Attorney

**III.  
ORDER**

NOW, THEREFORE, the Chief Deputy Director finds it to be in the public interest to issue this Final Order, and IT IS HEREBY ORDERED THAT:

1. Respondents shall cease and desist from violating MCL 500.1201a(1), MCL 500.1207(3), MCL 500.1240(2), MCL 500.251, MCL 500.2003, MCL 500.2007, MCL 500.249, R 500.654(1), R 500.654(4), R 500.654(5), R 500.655(1), R 500.664(1), and R 500.664(11).
2. Respondents shall upon executing the Stipulation, immediately surrender their insurance producer licenses to DIFS.
3. Respondent Premier Health Plans, Inc. shall pay to the State of Michigan administrative fees in the amount of \$15,000 immediately upon execution of the attached Stipulation.
4. Respondent Craig Bernstein shall pay to the State of Michigan administrative fees in the amount of \$2,500 immediately upon execution of the attached Stipulation.
5. Respondent Terry Alvarado shall pay to the State of Michigan administrative fees in the amount of \$2,500 immediately upon execution of the attached Stipulation.
6. In the event DIFS commences an action against Respondents to revoke their insurance producer licenses for violation of this Stipulation and Order, the Stipulation and Order shall be admissible in any such action.
7. The Stipulation is incorporated by reference, and all its conditions, terms, agreement are specifically made a part of the Order as though fully set forth herein.

IT IS SO ORDERED:

By:   
Teri L. Morante  
Chief Deputy Director  
Department of Insurance and Financial Services