

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. 19-15606
Agency No. 19-392-L

Petitioner,

v

Ryan R. Severance
System ID No. 0595495

Respondent.
_____ /

Issued and entered
on August 9, 2019
by Randall S. Gregg
Senior Deputy Director

FINAL DECISION

I. Background

Ryan R. Severance (Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to respond to multiple letters of inquiry from DIFS Staff regarding a complaint that was filed against him. After investigation and verification of the information, on January 23, 2019, 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(1) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(1) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On June 12, 2019, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address he 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 July 19, 2019, DIFS Staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's 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. Respondent is a licensed resident insurance producer in the state of Michigan with qualifications in casualty, life, property, and variable annuities, and his license is currently active.
2. On November 7, 2018, DIFS Staff mailed a letter of inquiry via first class mail to Respondent at his mailing address of record, which he is required, per the Code, to keep current with DIFS. The letter requested a written response to a complaint filed against Respondent, which was received by DIFS on November 1, 2018. The letter was returned by the United States Postal Service (USPS) to DIFS on November 15, 2018, marked, "Return to Sender, Not Deliverable as Addressed, Unable to Forward."
3. On January 23, 2019, an NOSC was mailed to Respondent via first class mail at his business address of record. No response was received, and the mail was not returned by the USPS.
4. On April 2, 2019, the NOSC was mailed to Respondent via first class mail to a new address that was discovered subsequent to a search conducted by DIFS Staff. The NOSC was returned to DIFS on April 12, 2019, marked, "Return to Sender, No Mail Receptacle, Unable to Forward." To date, Respondent has not responded.
5. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), states:

For the purposes of ascertaining compliance with the 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) Any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.

6. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states:

(1) 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, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

7. 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 \$1,000.000 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.
8. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) and 1244(1) of the Code, by failing to respond to multiple letters of inquiry from DIFS Staff as required pursuant to Section 249(a), MCL 500.249(a).
9. 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.
10. On June 12, 2019, true copies of an Administrative Complaint, Order for Hearing and Notice of Hearing were mailed by first class mail to Respondent at his mailing address of record, and his business address of record. The mail sent to his mailing address was returned by the USPS marked, "Return to sender, Not Deliverable as Addressed, Unable to Forward." The mail sent to his business address was returned by the USPS marked, "Return to Sender, Attempted Not Known, Unable to Forward." No response was received.
11. DIFS Staff has made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2).
12. Respondent has received notice and has been given an opportunity to respond and appear and has not responded nor appeared.
13. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

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 shall immediately **CEASE** and **DESIST** from engaging in the business of insurance.

3. Pursuant to MCL 500.249, MCL 500.1239(1)(b), and MCL 500.1244(1)(d), Respondent's resident insurance producer license (System ID No. 0595495) is **REVOKED**.

Anita G. Fox, Director
For the Director:



Randall S. Gregg, Senior Deputy Director