

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Tri County Independent Insurance Agency, LLC**  
System ID No. 0103028

**Enforcement Case No. 19-15552**

**Vikalp Chopra**  
System ID No. 0320830

Respondents.

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Issued and entered  
on December 20, 2019  
by Teri L. Morante  
Chief Deputy Director

**ORDER ACCEPTING STIPULATION AND REQUIRING COMPLIANCE AND PAYMENT OF FINES**

Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Chief Deputy Director finds and concludes that:

1. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. All applicable provisions of the APA have been met.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. DIFS finds and concludes that Respondents violated Sections 1207(1) and (2) of the Code, MCL 500.1207(1) and (2) and have committed acts sanctionable under Sections 1239(1)(b), (d), and (h), 1239(3), and 1244(1)(a-d) of the Code, MCL 500.1239(1)(b), (d), and (h), MCL 500.1239(3), and 500.1244(1)(a-d). Respondents failed to keep any accounting records, relied on other parties to maintain records necessary for the operation of Respondents' business, failed to timely provide funds to clients, and repeatedly demonstrated an inability to perform routine transactions in the business of insurance.
6. In resolution of this matter, Respondents have agreed to accept sanctions, including ensuring compliance and payment of fines.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

- A. Respondents shall comply with all terms agreed to in the Stipulation to Entry of Order. A violation of the Stipulation to Entry of Order is a violation of this Order.
- B. Respondents shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$10,000.00. Respondent shall pay the fines within 30 days of the invoice date as indicated on the DIFS invoice.
- C. Respondents shall immediately implement reasonable accounting methods to properly record funds, from the effective date of the current policy period going forward, received in their fiduciary capacity in compliance with Section 1207 of the Code, MCL 500.1207, as agreed to in the Stipulation to Entry of Order.
- D. Respondents shall compile written procedures meeting the criteria listed in paragraph 8 of the Stipulation to Entry of Order for review and approval by DIFS no later than thirty (30) days of the issuance of this Order.
- E. Respondents shall immediately refund any overages discovered while complying with this Order and provide satisfactory proof of refunds to DIFS.
- F. Respondents shall cease and desist from operating in a manner that violates any of the Code sections identified in paragraph 5 of this Order.
- G. The Chief Deputy 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. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.

  
Teri L. Morante  
Chief Deputy Director

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**STIPULATION TO ENTRY OF ORDER**

Petitioner Department of Insurance and Financial Services (DIFS) and Tri County Independent Insurance Agency, LLC and Vikalp Chopra stipulate to the following:

1. Tri County Independent Insurance Agency, LLC (Respondent Agency), System ID 0103028, is a licensed resident agency insurance producer.
2. Vikalp Chopra (Respondent Chopra), System ID 0320830, is a licensed resident insurance producer.
3. On July 8, 2019, DIFS served Respondents with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Michigan Insurance Code (Code) by failing to keep any accounting records, relying on other parties to maintain records necessary for the operation of Respondents' business, failing to timely provide funds to clients, and repeatedly demonstrating an inability to perform routine transactions in the business of insurance. DIFS asserts that these actions constitute a violation of Sections 1207(1) and (2) of the Code, MCL 500.1207(1) and (2), and give rise to sanctions under Sections 1239(1)(b), (d), and (h), 1239(3), and 1244(1)(a-d) of the Code, MCL 500. 1239(1)(b), (d), and (h), MCL 500.1239(3), and 500.1244(1)(a-d)
4. Respondents admit the allegations above and have agreed to the entry of a stipulated order for the purpose of resolving this matter.
5. Respondents admit that all parties have complied with the procedural requirements of the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*, and the Code.
6. Respondents waive their right to a hearing under the Code.
7. Respondents agree that it will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$10,000.00. Respondents further agree to pay the fine within 30 days of the invoice date as indicated on the DIFS' invoice.

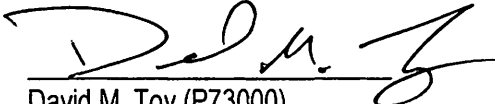
8. Respondents agree to immediately implement reasonable accounting methods to properly record funds, from the effective date of the current policy period going forward, received in their fiduciary capacity in compliance with Section 1207 of the Code, MCL 500.1207. Respondent further agrees that the accounting procedures will meet the following minimum criteria:
  - a. Premium funds and return premiums received by Respondents are kept in a separate account from all other business and personal funds;
  - b. All customer payments received, including electronic payments, are recorded in a complete and accurate manner;
  - c. All customer payments can be traced to matching deposits in Respondents' premium bank account, payments to insurers or insurers' representatives, and matching policies;
  - d. Refunds to insureds are recorded in a complete and accurate manner. Procedures are in place to ensure any refunds will be issued to insureds within 30 days after funds are received by Respondents from insurers or insurers' representatives;
  - e. An accounting system should be maintained and kept up to date with complete client files containing proper and relevant documentation, such as signed application forms, customer payment proof, policy declaration pages, policy binders, receipts of premium payments, company and agency invoices, signed premium finance contracts and premium remittance proof which are maintained on customer-by-customer basis;
  - f. All customers' transactions are recorded in a complete and accurate manner in the system. At a minimum, the records shall include policy premium due, customer payment, endorsement, Respondents' payment to insurers or their representative, policy cancellation, and refunds issued to insured.
  - g. Account reconciliations are performed on a monthly basis to identify any incorrect charges to the insureds or incorrect/missing payments to the insurers or insurers' representatives, and to immediately refund any overcharges to insureds;
  - h. Insured's written consent shall be obtained and kept in file if refunds are to be applied to reduce insured's existing balance;
  - i. All such records as to any particular transaction shall be kept available and open to examination by the Director. Respondents shall produce all records for inspection when requested.
9. Respondents agree to compile written procedures meeting the criteria listed in paragraph 8, above, for review and approval by DIFS no later than thirty (30) days of the issuance of the Stipulated Order.
10. Respondents agree to immediately refund any overages discovered during review, reconstruction, or formation of any records and provide satisfactory proof of refunds to DIFS.

11. Respondents have had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.
12. Respondents understand and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
13. Respondents understand and agree that the Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondentss waive the right to a hearing in this matter and consent to the entry of the Order Accepting Stipulation. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondents waive any objection to the Director holding a formal administrative hearing and making a decision after such hearing.

  
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Vikalp Chopra,  
On behalf of himself and Tri County Independent Insurance Agency, LLC

07/24/2019  
\_\_\_\_\_  
Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.

  
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David M. Toy (P73000)  
DIFS Staff Attorney

7/24/19  
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Date