

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Sofia Medina Torres
System ID No. 0725100

Enforcement Case No. 18-15395

Respondent.

_____ /

Issued and entered
on April 25, 2019
by Teri L. Morante
Chief Deputy Director

ORDER ACCEPTING STIPULATION

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. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Sofia Medina Torres (Respondent) has been an active resident producer with qualifications in property and casualty since May 28, 2015, and life and accident and health qualifications since February 1, 2017. Her license is currently active.
6. Respondent was appointed with State Farm Fire and Casualty Co., State Farm Life Insurance Co., and State Farm Mutual Automobile Insurance Co. (collectively State Farm) on July 21, 2015, and was terminated on January 4, 2018. Respondent's appointments were terminated for allegedly entering inaccurate information on auto applications and submitting fraudulent evidence of insurance (EOI) documents.
7. On November 29, 2016, State Farm Internal Audit (SFIA) received a complaint that there were concerns identified during an automobile insurance underwriting review, which indicated KQ's State

Farm agency submitted falsified/fabricated EOI documents. Respondent was KQ's team member. KQ terminated Respondent's employment on May 11, 2017.

8. SFIA reviewed auto application documents for KQ's agency and identified numerous instances in which Respondent entered inaccurate information and submitted fraudulent EOI documents. During a subsequent interview, Respondent admitted to altering customers' prior time insured, prior bodily injury limits, and purchase dates, as well as providing unqualified discounts, in order to generate cheaper premiums. Respondent also admitted that she created and submitted fraudulent EOI documents in order to qualify customers for insurance and generate cheaper premiums. SFIA documented its findings in its closing report, dated May 17, 2017.
9. On June 28, 2018, DIFS Staff emailed a letter of inquiry to Respondent requesting a response to the allegations. Her response was received on July 19, 2018. In her response, she admitted that the SFIA findings were true. She stated that she understands what she did was wrong and explained that she didn't mean to harm customers or State Farm. At the time, Respondent was only handling customer service and administrative work within the agency. However, after several months of low agency sales, Respondent was asked to begin marketing and selling automobile insurance policies and was given a monthly quota to meet. She engaged in the aforementioned conduct as a response to the pressure she was under.
10. As a licensee, Respondent knew or had reason to know that Sections 1239(1)(e) and (h) of the Code, MCL 500.1239(1)(e) and (h), state:

(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:

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

11. Respondent intentionally misrepresented her customers' information on their applications for insurance, used fraudulent and dishonest practices, demonstrated incompetence, untrustworthiness and financial irresponsibility in the conduct of business providing justification for sanctions pursuant to MCL 500.1239(1)(e) and (h), when she submitted fraudulent and inaccurate information in connection with an application for insurance in order to obtain lower premium rates for her customers.

12. As a licensee, Respondent knew or should have known that Section 1244(1)(a-c), MCL 500.1244(1)(a-c), provides that the Director may order the payment of a civil fine of up to \$500.00 for each violation and up to \$2,500 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), MCL 500.1244(1)(d), the Director may order suspension or revocation of licensure.
13. 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.

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

14. Respondent **Cease** and **Desist** from operating in a manner that violates the Code.
15. Respondent **Cease** and **Desist** from all insurance activity.
16. Respondent's resident insurance producer license (System ID No. 0725100) is hereby **REVOKED**.
17. 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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Before the Director of the Department of Insurance and Financial Services

In the matter of:

Sofia Medina Torres
System ID No. 0725100

Enforcement Case No. 18-15395

Respondent.

_____ /

STIPULATION TO ENTRY OF ORDER

Sofia Medina Torres (Respondent) stipulates to the following:

1. Respondent has been an active resident producer with qualifications in property and casualty since May 28, 2015, and life, accident, and health qualifications since February 1, 2017. Her license is currently active.
2. Respondent was appointed with State Farm Fire and Casualty Co., State Farm Life Insurance Co., and State Farm Mutual Automobile Insurance Co. (collectively State Farm) on July 21, 2015, and was terminated on January 4, 2018. Respondent's appointments were terminated for allegedly entering inaccurate information on auto applications and submitting fraudulent evidence of insurance (EOI) documents.
3. On November 29, 2016, State Farm Internal Audit (SFIA) received a complaint that there were concerns identified during an automobile insurance underwriting review, which indicated KQ's State Farm agency submitted falsified/fabricated EOI documents. Respondent was KQ's team member. KQ terminated Respondent's employment on May 11, 2017.
4. SFIA reviewed auto application documents for KQ's agency and identified numerous instances in which Respondent entered inaccurate information and submitted fraudulent EOI documents. During a subsequent interview, Respondent admitted to altering customers' prior time insured, prior bodily injury limits, and purchase dates, as well as providing unqualified discounts, in order to generate cheaper premiums. Respondent also admitted that she created and submitted fraudulent EOI documents in order to qualify customers for insurance and generate cheaper premiums. SFIA documented its findings in its closing report, dated May 17, 2017.
5. On June 28, 2018, DIFS Staff emailed a letter of inquiry to Respondent requesting a response to the allegations. Her response was received on July 19, 2018. In her response, she admitted that the SFIA findings were true. She stated that she understands what she did was wrong and explained that she didn't mean to harm customers or State Farm. At the time, Respondent was only handling customer service and administrative work within the agency. However, after several months of low agency sales, Respondent was asked to begin marketing and selling automobile insurance policies

and was given a monthly quota to meet. She engaged in the aforementioned conduct as a response to the pressure she was under.

6. As a licensee, Respondent knew or had reason to know that Sections 1239(1)(e) and (h) of the Code, MCL 500.1239(1)(e) and (h), state:

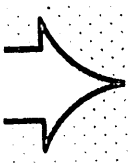
(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

7. Respondent intentionally misrepresented her customers' information on their applications for insurance, and used fraudulent and dishonest practices, demonstrated, incompetence, untrustworthiness, and financial irresponsibility in the conduct of business providing justification for sanctions pursuant to MCL 500.1239(1)(e) and (h), when she submitted fraudulent and inaccurate information in connection with an application for insurance in order to obtain lower premium rates for her customers.
8. As a licensee, Respondent knew or should have known that Section 1244(1)(a-c), MCL 500.1244(1)(a-c), provides that the Director may order the payment of a civil fine of up to \$500.00 for each violation and up to \$2,500 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), MCL 500.1244(1)(d), the Director may order suspension or revocation of licensure.
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 January 7, 2019, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Code.

11. On March 1, 2019, DIFS served Respondent with an Administrative Complaint (AC) alleging that Respondent violated provisions of the Code.
12. On March 18, 2019, Respondent answered the AC via email requesting a settlement.
13. Respondent and DIFS conferred for the purpose of resolving this matter.
14. Respondent waived the right to an opportunity to show compliance pursuant to the APA.
15. All parties have complied with the procedural requirements of the APA and the Code.
16. Respondent agrees that she will cease and desist from operating in a manner that violates the Code.
17. Respondent agrees that Respondent's Michigan insurance producer license (System ID No. 0725100) shall be revoked.
18. Respondent has 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.
19. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
20. Respondent understands and agrees 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, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation and Requiring Compliance. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.





Sofia Medina Torres
System ID No. 0725100

04/16/19
Date

DIFS Staff approves this Stipulation to Entry of Order and recommends that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.



Conrad L. Tatnall (P69785)
DIFS Staff Attorney

4/21/19
Date