

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. 16-14527

Petitioner,

v

Daniel Vermillion
System ID No. 0725769

Respondent.
_____ /

Issued and entered
on February 6, 2020
by Randall S. Gregg
Senior Deputy Director

ORDER

I. Background

Daniel Vermillion (Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to disclose multiple misdemeanor convictions on his initial application for licensure and failed to update his address with DIFS. After investigation and verification of the information, on March 15, 2018, DIFS mailed a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent had violated Sections 1206(5) and 1238(1) of the Code, MCL 500.1206(5) and 500.1238(1), and provided justification for sanctions pursuant to Sections 1239(1)(a) and (1)(b) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(1)(a) and (1)(b) and 500.1244(1)(a-d).

Respondent replied to the NOSC and sought to resolve the matter short of an administrative hearing. DIFS and Respondent entered into a Settlement Agreement that was signed by Respondent on April 26, 2019, and by the Chief Deputy Director on April 30, 2019.

In the Settlement Agreement, Respondent admitted to violating Sections 1206(5) and 1238(1) of the Code, MCL 500.1206(5) and 500.1238(1), providing justification for sanctions under Sections 1239(1)(a) and (1)(b) and 1244(1)(a-d) of the Code, MCL 500.1239(1)(a) and (1)(b) and 500.1244(1)(a-d). Pursuant to the

Settlement Agreement, Respondent agreed to pay a market conduct fee of \$2,500.00. Respondent was to pay the market conduct fee by May 31, 2019.

On January 23, 2020, DIFS Staff filed a Motion for Default Due to Breach of Settlement Agreement and Director's Order to Suspend License and Pay Enhanced Market Conduct Fee.

Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. Based upon the Motion and the terms of the Settlement Agreement, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

1. In the Settlement Agreement, Respondent admitted to violating Sections 1206(5) and 1238(1) of the Code, MCL 500.1206(5) and 500.1238(1), providing justification for sanctions under Sections 1239(1)(a) and (1)(b) and 1244(1)(a-d) of the Code, MCL 500.1239(1)(a) and (1)(b) and 500.1244(1)(a-d).
2. Pursuant to paragraph 7 of the Settlement Agreement, Respondent agreed to pay a market conduct fee of \$2,500.00 within 30 days of the date of the DIFS' invoice.
3. Respondent has not paid the market conduct fee.
4. The market conduct fee was due no later than May 31, 2019.
5. Pursuant to paragraph 8 of the Settlement Agreement, Respondent agreed that failure to pay the market conduct fee as set forth shall result in a suspension of all licenses or registrations held by Respondent.
6. Pursuant to paragraph 9 of the Settlement Agreement, Respondent agreed that failure to pay the market conduct fee as set forth within six months of the invoice date would result in the fee increasing to \$5,000.00 and revocation of all licenses held by Respondent.
7. DIFS has sent Final Notices to Respondent via mail to the address maintained on file and provided by Respondent.
8. DIFS has made several attempts to procure payment through correspondence via Respondent's email.
9. Respondent is more than 6 months overdue on the market conduct fee payment issued pursuant to the Settlement Agreement.
10. Respondent is in breach of a material term of his Settlement Agreement and has provided justification for license suspension pursuant to paragraph 8 of the Settlement Agreement and an enhanced market conduct fee pursuant to paragraph 9 of the Settlement Agreement.
11. Respondent has received notice and has been given an opportunity to respond and appear and has not responded nor appeared.

III. Order

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

1. Petitioner's Motion for Default is **granted**.
2. The monetary penalty of a \$2,500.00 market conduct fee referenced in paragraph 7 of his Settlement Agreement is immediately enhanced for violation of a material term of the Settlement Agreement. Respondent is now **ORDERED** to pay a **market conduct fee** of \$5,000.00. Payment shall be due by the date identified on DIFS' invoice that will be sent to Respondent upon entry of this Order.
3. Respondent's insurance producer license (System ID No. 0725769) is **SUSPENDED** until Respondent pays the enhanced market conduct fee identified in paragraph 2 of this Order.
4. Failure to pay the enhanced market conduct fee by the due date specified in the invoice shall constitute a violation of a Director's Order in violation of Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), and will result in further administrative actions resulting in all sanctions permitted under law, including, but not limited to, revocation of the Respondent's insurance producer license.

Anita G. Fox, Director
For the Director:



Randall S. Gregg, Senior Deputy Director