

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of Insurance and Financial Services

Department of Insurance and  
Financial Services,

Petitioner,

v

Case No. 14-949-L  
Docket No. 14-033529-DIFS

Eric J. Vom Steeg,

Respondent.

For the Petitioner:

Elizabeth V. Bolden (P69865)  
Dept. of Insurance and Financial Services  
611 W. Ottawa, 3<sup>rd</sup> Floor  
Lansing, MI 48933

For the Respondent:

Eric J. Vom Steeg

Issued and entered  
this 20<sup>th</sup> day of April 2015  
by Randall S. Gregg  
Special Deputy Director

FINAL DECISION

The Administrative Law Judge issued a Proposal for Decision dated March 10, 2015. She recommended that the Director issue a final decision consistent with the Findings of Fact and Conclusions of Law as outlined in her Proposal for Decision. The factual findings in the PFD are in accordance with the preponderance of the evidence and the conclusions of law are supported by reasoned opinion. Neither party filed exceptions. Michigan courts have long recognized that the failure to file exceptions constitutes a waiver of any objections not raised. *Attorney General v. Public Service Com'n*, 136 Mich.App. 52 (1984).

**ORDER**

Therefore, it is ORDERED that:

1. the PFD is adopted and made part of this final decision; and
2. the insurance producer license of Respondent Eric J. Vom Steeg is REVOKED.

Annette E. Flood  
Director

For the Director:



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Randall S. Gregg  
Special Deputy Director

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STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

DIFS/OGC

IN THE MATTER OF:

Docket No.: 14-033529-DIFS

Department of Insurance  
and Financial Services,  
Petitioner

Case No.: 14-949-L

Agency: Department of Insurance  
and Financial Services

v

Eric J. Vom Steeg,  
Respondent

Case Type: DIFS-Insurance

Filing Type: Appeal

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Issued and entered  
this 10<sup>th</sup> day of March 2015  
by Renee A. Ozburn  
Administrative Law Judge

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

On November 21, 2014, the Department of Insurance and Financial Services (DIFS/Petitioner) issued an Order Referring Petition for Hearing, Complaint and Notice of Opportunity to Show Compliance to Eric Vom Steeg (Respondent) alleging that he was in violation of the Michigan Insurance Code (Code), 1956 PA 218, MCL 500.100 *et seq.*

A hearing was scheduled for January 22, 2015. Notice of the hearing was mailed to Respondent at his last known addresses of record. On January 22, 2015, at the time scheduled for hearing, Attorney Elizabeth Bolden was present and ready to proceed on behalf of Petitioner. Respondent was not present and no one appeared on his behalf. The undersigned Administrative Law Judge deemed that Respondent had been duly served with notice and the hearing could proceed in his absence pursuant to Section 72 of the Administrative Procedures Act, 1969 PA 306, as amended, (APA) MCL 24.201 *et seq.* Attorney Bolden motioned to default Respondent pursuant to Section 78 of the APA. The undersigned Administrative Law Judge granted a default. A default judgment constitutes a decision that Petitioner's allegations against Respondent are true as alleged in the Complaint issued on November 21, 2014.

**ISSUES AND APPLICABLE LAW**

The issue is whether Respondent has violated, Code Sections 1205, 1239(1)(a),(b), (c) & (f) and 1247(2), which state:

Sec. 1205.

(1) A person applying for a resident insurance producer license shall file with the commissioner the uniform application required by the commissioner and shall declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. An application for a resident insurer producer license shall not be approved unless the commissioner finds that the individual meets all of the following:

- (a) Is at least 18 years of age.
- (b) Has not committed any act listed in section 1239(1).

Sec. 1239.

(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:

- (a) Providing incorrect, misleading, incomplete, or materially untrue information in the license application.
- (b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.
- (c) Obtaining or attempting to obtain a license through misrepresentation or fraud.
- (f) Having been convicted of a felony.

Sec. 1247.

(2) Within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

Sec. 1244.

(1) If the commissioner finds that a person has violated this chapter, after an opportunity for a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:

(a) Payment of a civil fine of not more than \$500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the commissioner may order the payment of a civil fine of not more than \$2,500.00 for each violation. An order of the commissioner under this subsection shall not require the payment of civil fines exceeding \$25,000.00. A fine collected under this subdivision shall be turned over to the state treasurer and credited to the general fund of the state.

(b) A refund of any overcharges.

(c) That restitution be made to the insured or other claimant to cover incurred losses, damages, or other harm attributable to the acts of the person found to be in violation of this chapter.

(d) The suspension or revocation of the person's license.

**SUMMARY OF EXHIBITS**

Petitioner's Exhibits:

Exhibit 1	DIFS Licensing History for Respondent
Exhibit 2	Respondent License Application dated 5/16/12
Exhibit 3	Respondent License Application dated 1/28/13
Exhibit 4	ICHAT Report dated 1/29/13
Exhibit 5	OTIS Offender Profile dated 1/29/13
Exhibit 6	2008 61 <sup>st</sup> District Court Arrest & Conviction Records
Exhibit 7	2009 Felony Complaint
Exhibit 8	DIFS Notice of License Denial dated 6/17/13

**FINDINGS OF FACT**

1. From September 3, 2008 until June 30, 2010, Respondent Eric J. Vom Steeg (System ID No. 0144057) was a licensed resident insurance producer with qualifications in Accident and Health, and Life.
2. On or about July 1, 2010, Respondent's license was suspended for failing to meet education requirements.
3. On or about October 1, 2010, Respondent's license was inactivated for failing to meet education requirements
4. More than a year after Respondent's producer's license was inactivated, on or about May 16, 2012, Respondent submitted a Uniform Application for Individual Producer License/Registration, seeking to obtain a license with a qualification in Accident and Health, and Life.
5. As part of the application, Respondent answered "No" to the question, "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime."
6. A background investigation by the Department of Insurance and Financial Services (DIFS) did not reveal Respondent's prior criminal record.
7. On or about May 21, 2012, Respondent was granted an insurance producer license with qualifications in Accident and Health, and Life.
8. On or about January 28, 2013, Respondent submitted a Uniform Application for Individual Producer License/Registration, seeking to add the qualifications of Property and Casualty.

9. As part of the application, Respondent again answered "No" to the question, "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime."
10. This time a background investigation by DIFS revealed that Respondent had been convicted of several crimes.
11. On or about September 17, 2008, Respondent was convicted of ATTEMPT RESIST and OBSTRUCT POLICE in violation of MCL 750.81d(1).
12. On or about May 20, 2009, Respondent was convicted of an OWI, 3<sup>rd</sup> offence, in violation of MCL 275.625(1). Due to two prior convictions of operating while intoxicated, one on December 12, 1990, and one on June 29, 2000, this third conviction was a felony under MCL 257.625(9)(c).
13. Respondent's January 2013 application for additional qualifications was denied on June 17, 2013, for failing to meet the minimum licensing requirements of MCL 500.1205 and MCL 500.1239(1).
14. Respondent did not appeal the denial of his application for additional qualifications.
15. Respondent has provided justification for license revocation pursuant to Code Section 1205(1)(b), MCL 500.1205(1)(b), which provides that an application for insurance producer license shall not be approved unless the Director finds the individual has not committed any act listed in Section 1239(1).
16. Respondent committed four separate acts that disqualified him from being properly licensed as an insurance producer under Code Section 1239(1), MCL 500.1239(1).
17. More specifically, in May 2012 when Respondent applied for a producer license he did not disclose his criminal convictions. Respondent had, in fact, been convicted of a felony. Code Section 1239(1)(f), MCL 500.1239(1)(f), prohibits an applicant with a felony conviction from being licensed as an insurance producer. Respondent was improperly licensed as an insurance producer in May 2012 based upon his inaccurate representations.



**CONCLUSIONS OF LAW**

Petitioner bears the burden of proving that Respondent violated the Code as alleged in the November 21, 2014, Order Referring Petition for Hearing and Complaint. Pursuant to the above default Findings of Fact, the Petitioner has established its alleged violations of Code Sections 1205(1)(b), 1239(1)(a),(b),(c) and (f), and 1247(2).

**PROPOSED DECISION**

The undersigned Administrative Law Judge recommends that the Director issue a final decision consistent with the above Findings of Fact and Conclusions of Law.

**EXCEPTIONS**

The parties may file Exceptions to this Proposal for Decision within twenty-one (21) days after it is issued. An opposing party may file a response within fourteen (14) days after initial Exceptions are filed. All Exceptions and Responses to Exceptions must be filed with the Department of Insurance and Financial Services, Ottawa State Office Building, 3<sup>rd</sup> Floor, P.O. Box 30220, Lansing, Michigan 48909; Attention: Dawn Kobus, and served on all parties to the proceeding.

  
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Renee A. Ozburn  
Administrative Law Judge