

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Derek Michael Chastain  
System ID No. 0505860

Enforcement Case No. 10-7601

RECEIVED

APR 15 2010

OFIR/OGC

Respondent  
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Issued and entered  
on 4/15/10 2010  
by Stephen R. Hilker  
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. On or about January 22, 2010, the Office of Financial and Insurance Regulation ("OFIR,") received a complaint from American Family Life Assurance Company of Columbus, (AFLAC") alleging that Respondent Derek Michael Chastain fraudulently created and submitted insurance policies.
2. Respondent Derek Michael Chastain is a non-resident insurance producer with life and accident and health qualifications. Respondent does not currently have any active appointments in the State of Michigan.
3. Respondent Derek Michael Chastain wrote 165 policies for 22 policyholders who were family and friends.
4. Respondent Derek Michael Chastain used his home address and bank account information for a majority of these policies.
5. Of the 165 policies, 114 of them were declined and premium was never remitted.
6. Respondent Derek Michael Chastain placed four policyholders under [REDACTED] policy, which AFLAC investigators could not verify were ever employed by the business.

7. Respondent Derek Michael Chastain wrote a business policy and established a payroll account for [REDACTED] which was owned and operated by Respondent's father. AFLAC investigators could not verify any employees or the existence of the business.
8. As a result of his actions, Respondent Derek Michael Chastain receiving \$29,837.29 in advanced commissions from AFLAC.
9. Based upon the actions listed above, Respondent has committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution be made to insureds to cover losses, damages or other harm attributed to Respondent's violation of the Code, and/or licensing sanctions under Section 150 and Section 1244(1) of the Code for the Respondent violating Section 1207(1), 1239(1)(d), 1239(1)(e), 1239(1)(h), and 2018 of the Code.

### B. ORDER

Based upon the findings of fact and conclusions of law above, and Respondent stipulation to said facts, it is hereby ORDERED that:

1. Respondent Derek Michael Chastain shall immediately cease and desist from operating in a manner that violates Section 1207, 1239, and 2018 of the Code, MCL 500.1207, 500.1239, and 500.2018.
2. Respondent Derek Michael Chastain's non-resident insurance producer license and authority are hereby **REVOKED**.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

By: Stephen R. Hilker  
Stephen R. Hilker  
Chief Deputy Commissioner

**C. STIPULATION**

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.



\_\_\_\_\_  
Derek Michael Chastain  
System ID No. 0505860

Dated: 4/2/10

OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.



\_\_\_\_\_  
William R. Peattie

Dated: 4/15/10

