

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:

INSURANCE BENEFIT SOLUTIONS AGENCY Enforcement Case No. 09-7500
System ID No. 0089504

LAWRENCE WELLS
System ID No. 0038497

Respondent

Issued and entered
on 3/22/ 2010
by **Stephen R. Hilker**
Chief Deputy Commissioner

CONSENT ORDER OF REVOCATION AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On or about April 29, 2009, Respondent Lawrence Wells completed and submitted a Uniform Application for Business Entity Insurance License/Registration to the Michigan Office of Financial and Insurance Regulation ("OFIR") for processing and licensing. In the application he listed respondent Insurance Benefit Solution ("IBS") as the applicant for licensure. He listed himself as owner of the IBS, a sole proprietorship.
2. In the application, he also listed [REDACTED] as IBS's designated responsible licensed producer pursuant to MCL 500.1205(2)(b). On October 4, 2009, Ms. [REDACTED] terminated her affiliation with IBS.
3. In completing the application, Wells either misread or misinterpreted Item 29 which caused him to submit an answer that was neither true nor correct.
4. More specifically, in Item 26, the application requests a response to the following, "[i]dentify all owners with 10% interest or voting interest, partners, officers and directors of the business entity...". Wells identified himself as an "owner". Item 29, part 2, asks, "[h]as the business entity or any owner, partner, officer or director, or manager or member of a limited liability company, ever been involved in an administrative

proceeding regarding any professional or occupational license, or registration?"
Respondent Wells replied "No". This is not a correct or true statement.

5. On June 27, 2006, the Chief Financial Officer of the Florida Department of Financial Services ("DFS") issued a Consent Order dated May 24, 2006, ordering Wells to pay a consumer restitution in the amount of \$14,400 in accordance with the installment payment schedule set forth in the Consent Order.
6. DFS alleged that Wells represented unauthorized insurers in violation of Section 626.901, Florida Statutes.
7. Pursuant to the Consent Order, Wells was required to pay [REDACTED] \$3,500 within ninety days of the date of the entry of Consent Order. Wells was further ordered to pay another \$3,500 within one hundred and eighty days of the date of the entry of the Consent Order and to pay the remaining amount of \$7,400 within five hundred and forty days of the date of the entry of the Consent Order.
8. Respondent violated the Consent Order issued by DFS by failing to timely make the first and second installment payments as required by the Consent Order.
9. DFS subsequently suspended Wells' insurance license for failing to comply with the Order to timely pay restitution.
10. On or about, June 18, 2009, the Chief Deputy Commissioner for OFIR issued and entered a Consent Order and Stipulation that caused Wells' insurance producer license to be revoked in the State of Michigan.
11. In response to OFIR's Notice of Opportunity to Show Compliance, served on or about November 12, 2009, Wells's admitted he completed the application for IBS's insurance producer license; he is the owner of IBS; and, IBS is a sole proprietorship. Additionally, he admitted that he either misread or misinterpreted Item 29 in the application.
12. The Code, MCL 500.1239, Section 1239(1)(a) authorizes the Commissioner to revoke an insurance producer's license when the licensee or applicant provides incorrect, misleading, incomplete, or materially untrue information in the license application.
13. Based on Wells's own admissions, he violated Section 1239(1)(a) of the Code when he provided incorrect information in IBS's application when he stated that no owner had even been involved in an administrative proceeding regarding any professional or occupation license or registration. A statement that is neither true nor correct.
14. In June 2007, Wells was involved in an administrative proceeding in the State of Florida where DFS suspended his insurance license for violations of Florida's insurance Code. Wells is the owner of IBS. Therefore, the Commissioner is authorized to revoke IBS's insurance producer license for providing incorrect information in the license application.

15. The Code, MCL 500.1239, Section 1239(3) provides that the license of a business entity may be revoked if the Commissioner finds that an individual licensee's violation was known or should have been known by 1 or more of the partners, officers, or managers acting on behalf of the business entity and was neither reported to the Commissioner nor corrective action taken.
16. Based on Wells's own admissions, he is the owner and sole proprietor of IBS. A sole proprietorship is an unincorporated business owned entirely by one person. It is self-evident that any action or inaction taken by IBS is because Wells did or did not act.
17. In this instance, IBS violated Section 1239(3) of the Code when Wells's did not correct IBS's application or take any action to correct the application. Furthermore, Wells did not report to the Commissioner or take any action to ensure that the Commissioner received notification that his Michigan insurance producer license was revoked in June 2009. Therefore, the Commissioner is authorized to revoke IBS's insurance producer license for failing to correct incorrect information in the license application and updating the Commissioner of actions taken against its individual licensees.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondents Insurance Benefit Solutions Agency's and Lawrence Wells's Stipulation, it is **ORDERED** that:

1. Respondent Insurance Benefit Solutions Agency and Respondent Lawrence Wells shall immediately **CEASE AND DESIST** from conducting the business of insurance in the State of Michigan.
2. Respondent Insurance Benefit Solutions Agency's insurance producer license and authority are hereby **REVOKED**.
3. Respondents shall pay to the State of Michigan a civil fine of \$500.00 (five hundred dollars and zero cents). Upon execution of this Order, OFIR will send Respondents an Invoice for the civil fine that is payable within 30 days of issuance of the Invoice. The Respondents shall be joint and severally liable for payment of this civil fine.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: 
Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

Respondent has read and understands the Consent Order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. Respondent waives the right to a hearing in this matter if this Consent Order is issued. Respondent understands that the Consent Order and Stipulation will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this Consent Order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Respondent admits to the Findings of Fact and Conclusions of Law set forth in the above Consent Order, and agree to the entry of the Consent Order.

Dated: 3-1-2010



Lawrence Wells



Insurance Benefit Solutions Agency
By: Lawrence Wells

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: Mar. 15, 2010



Elizabeth V. Bolden
Staff Attorney