

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Jennifer Frechette
Mark Frechette
Jenmarco, Inc.

Enforcement Case No. 18-15432

Respondents.
_____ /

Issued and entered
on January 7, 2019
by Teri L. Morante
Chief Deputy Director

**ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS
AND NOTICE OF OPPORTUNITY FOR HEARING**

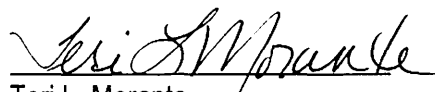
Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

WHEREAS, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

IT IS THEREFORE ORDERED THAT:

1. The Respondents shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.
2. A copy of this Order shall be immediately served upon Respondents. As to any Respondents, this Order shall be effective upon the date of service.
3. Respondents will have 30 calendar days after the service of this Order to contest it by requesting a hearing. Within 10 calendar days after receiving the request, the hearing process shall commence. This Order shall remain in effect until further order of the Director. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Christy Capelin, Hearings Coordinator, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8843.
4. Any such hearing held shall address the following issues:

- a. The facts set forth in the Statement of Findings.
 - b. The continuation of the Order to Cease and Desist.
 - c. Restitution to be paid by the Respondents.
5. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System shall preside over any such hearing.
6. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.
7. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:
- a. Payment of a civil fine of not more than \$1,000 for each violation not to exceed an aggregate civil fine of \$30,000. However, if the person knew or reasonably should have known the conduct was in violation of the cease and desist order, the person shall be subject to a civil fine of not more than \$25,000 for each violation not to exceed an aggregate civil fine of \$250,000.
 - b. Suspension or revocation of the person's license or certificate of authority.
 - c. Complete restitution, in the form, amount, and within the period determined by the Director, to all persons in Michigan damaged by the violation or failure to comply.



Teri L. Morante
Chief Deputy Director

Dated: Jan 7, 2019

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STATEMENT OF FINDINGS

1. Pursuant to Section 251(1) of the Code, MCL 500.251(1), the Director is empowered to issue a cease and desist order if the Director finds any of the following:
 - (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
 - (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
 - (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.
 - (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare. MCL 500.251(1).

2. Under Section 1201a of the Code, it is a violation for a person to sell, solicit, or negotiate insurance in this state for any line of insurance without first obtaining a license or qualification for that line. MCL 500.1201a(1).
 - a. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. MCL 500.1201(k).
 - b. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company. MCL 500.1201(l).

- c. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company. MCL 500.1201(m).
3. On May 11, 2018, DIFS Staff received information from a Complainant about possible unlicensed activity by the Respondents. Complainant sent DIFS a copy of a mailer she received from Response Processing Center, P.O. Box 1071, Indianapolis, IN 46206. The mailer stated: "You may qualify for a state-regulated program to pay for your final expenses regardless of your medical condition even if you have been turned down before. It is important to know how to qualify for this benefit available to you. This payment will pay 100% of all funeral and medical expenses up to \$50,000. This program is tax-free for Michigan residents." The mailer contained a Business Reply Envelope – Permit 659.
4. At no relevant time was Jennifer Frechette licensed under Section 1201a(1) of the Code, MCL 500.1201a(1).
5. At no relevant time was Mark Frechette licensed under Section 1201a(1) of the Code, MCL 500.1201a(1).
6. At no relevant time was Jenmarco, Inc. licensed under Section 1201a(1) of the Code, MCL 500.1201a(1).
7. A business entity search of the Indiana Secretary of State website indicates that Respondent Mark Frechette is the Vice President and Respondent Jennifer Frechette is the President of Respondent Jenmarco, Inc.
8. United States Postal Office records indicate the owner of P.O. Box 1071 is Respondent Mark Frechette.
9. United States Postal Office records indicate the owner of Business Reply Envelope - Permit 659 is Respondent Mark Frechette.
10. After an investigation, DIFS' Staff concluded that Respondents have engaged in insurance business in Michigan without a license.
11. Respondents violated Section 1201a(1) of the Code, MCL 500.1201a(1) by soliciting insurance without a license.
12. Based on the aforementioned findings, Respondents are acting as an insurance producer without a license as required by the Code.