

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Daniel Ray Gould**  
System ID No. 0766227

**Enforcement Case No. 23-17355**

Respondent.

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**ISSUED AND ENTERED**

**on December 6, 2024**

**by Joseph A. Garcia**

**Special Deputy Director and General Counsel**

**FINAL DECISION**

**I. Introduction**

This case concerns allegations that Daniel Ray Gould (“Respondent”) made false statements in applications for automobile insurance to provide lower premiums.

In June 2022, the Department of Insurance and Financial Services (“DIFS”) received a report that Respondent’s Allstate<sup>1</sup> appointments had been cancelled for cause. A DIFS investigation found evidence that Respondent had engaged in conduct which violated the Michigan Insurance Code (the “Code”).

On July 24, 2024, DIFS staff mailed to Respondent a Notice of Opportunity to Show Compliance (“NOSC”) detailing the evidence of Code violations and offering Respondent the opportunity to reply to the allegations. No response was received.

On September 23, 2024, DIFS issued to the Respondent an Administrative Complaint and Opportunity for Hearing (the “Administrative Complaint”), describing the Code violations. The Administrative Complaint contained a section headed “Opportunity for Hearing,” which conspicuously stated the following in bold, capital letters:

**SHOULD YOU WISH TO REQUEST AN ADMINISTRATIVE HEARING AS DESCRIBED ABOVE,  
YOU MUST DO SO BY FILING A REQUEST FOR HEARING WITHIN TWENTY-ONE DAYS OF  
THE DATE OF THIS NOTICE. FAILURE TO REQUEST SUCH A HEARING MAY RESULT IN THE  
FACTS ASSERTED IN THIS COMPLAINT BEING ACCEPTED AS TRUE BY THE DIRECTOR**

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<sup>1</sup> Respondent was appointed to represent the following collection of affiliated insurers that are referenced herein collectively as “Allstate”: Allstate Fire and Casualty Insurance Company, Allstate Indemnity Company, Allstate Insurance Company, Allstate Property and Casualty Insurance Company, Allstate Vehicle and Property Insurance Company, Everlake Assurance Company, and Everlake Life Insurance Company.

**AND THE IMMEDIATE ISSUANCE OF A FINAL DECISION IMPOSING SANCTIONS AGAINST YOU WITHOUT FURTHER OPPORTUNITY TO BE HEARD.**

**ALL REQUESTS FOR HEARINGS MUST BE RECEIVED BY DIFS NO LATER THAN THURSDAY, OCTOBER 17, 2024.**

Immediately following the above quoted statement, the Administrative Complaint provided the address to which a request for hearing must be sent. Respondent did not reply to the Administrative Complaint or request an administrative hearing. Given Respondent's failure to request a hearing, the unchallenged allegations in the Administrative Complaint are accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

**II. Findings of Fact**

The unchallenged factual allegations in the Administrative Complaint's Statement of Factual Allegations are accepted as true and restated below.

1. Respondent was an actively licensed resident insurance producer during all times relevant to this case.
2. Respondent was an appointed resident licensed producer for the companies referenced herein as Allstate. See *supra* footnote 1.
3. At all times relevant to this case, Respondent worked as a producer at the same agency.
4. On or about June 28, 2022, Allstate notified DIFS that it had terminated Respondent's appointments for cause after it determined that Respondent submitted approximately twenty-five applications for auto insurance that falsely indicated that the applicants intended to add vehicles to their policies after the effective date of the policies.
5. DIFS investigated Allstate's allegations and determined the following:
  - a. Future effective items ("FEIs") can be indicated on a new Allstate automobile policy if the customer has the intention to add a vehicle to their policy after its effective date. FEIs do not provide a direct discount but can affect the household composition (multi-car) and indirectly lead to a lower premium. If no vehicles are added during the policy period, the policy is re-rated at renewal to reflect the actual number of vehicles and consequently may result in a premium increase.
  - b. Allstate conducted an audit of Gould's policies submitted over three months (November 2021 – January 2022) with FEIs indicated but no vehicles added as of mid-March 2022. The audit found twenty-five policies associated with Gould's bind ID that met the audit criteria. The total premium impact of indicating FEI on the policies was determined by Allstate to be \$2,721.18.

- c. Allstate contacted six of Gould's customers associated with the policies identified in the audit. They each denied requesting to add future vehicles to their policies and knowing that FEIs were indicated on their policies.
  - d. On July 7, 2022, DIFS staff mailed and emailed an inquiry requesting information about his termination for cause to Respondent. Respondent replied to the inquiry on July 27, 2022.
  - e. In his response, Gould admitted that he applied FEI discounts from mid-2021 to May 2022. Gould stated that approximately half of the FEIs were applied to new customers and did not fall off after a six-month policy term. He stated that the other half of the FEI discounts were for current customers, with their policies rewritten to provide a better premium. He further stated that his actions were wrong and a mistake and that he would take it back if possible.
  - f. On or about July 28, 2022, DIFS staff emailed an inquiry requesting information about Respondent's termination for cause to Agency owner Michelle McPherson. McPherson ultimately responded to the inquiry on August 16, 2022, and stated that Respondent spoke to her shortly after receiving an interview request from Allstate on May 20, 2022. McPherson stated that Gould admitted to her at that time that the interview request was related to his using FEIs to provide lower premiums. He stated to her that he was doing what he had to do to get business written.
6. On July 24, 2024, DIFS staff mailed the NOSC to Respondent's mailing and business addresses of record, which he is required by the Code to keep current. No response was received.

### **III. Conclusions of Law**

The unchallenged conclusions of law contained in the Administrative Complaint are accepted as true and restated below.

1. As a licensee, Respondent knew or reasonably should have known that Section 2018 of the Code, MCL 500.2018, establishes that "[a]n unfair method of competition and an unfair or deceptive act or practice in the business of insurance includes making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual." Here, as set forth above, Respondent repeatedly submitted applications with misrepresentations in order to obtain the benefit of lower premiums for applicants. Respondent's misrepresentations constitute an unfair method of competition and an unfair or deceptive act or practice in the business of insurance as defined by Section 2018 of the Code, MCL 500.2018.
2. As a licensee, Respondent knew or reasonably should have known that Section 2003 of the Code, MCL 500.2003, prohibits an insurance producer from engaging in an unfair method of competition or an unfair or deceptive act or practice in the business of insurance. By engaging in practices, as described above, that constitute an unfair method of competition and/or deceptive acts or practices in the business of insurance as defined by Section 2018 of the Code, MCL 500.2018, Respondent has

violated Section 2003(1) of the Code, MCL 500.2003(1).

3. As a licensee, Respondent knew or reasonably should have known that Section 1239(1)(c) of the Code, MCL 500.1239(1)(c), provides that

In addition to any other powers under this act, the director 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 director shall not issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

...

- (c) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

By repeatedly making misrepresentations as set forth above, Respondent has provided justification for sanctions under Section 1239(1)(c) of the Code, MCL 500.1239(1)(c).

4. As a licensee, Respondent knew or reasonably should have known that Section 1239(1)(f) of the Code, MCL 500.1239(1)(f), provides that he may be sanctioned for "having admitted or been found to have committed any insurance unfair trade practice or fraud." By having committed an unfair trade practice or fraud as defined by Section 2018 of the Code, MCL 500.2018, Respondent has provided justification for sanctions under Section 1239(1)(f) of the Code, MCL 500.1239(1)(f).

5. As a licensee, Respondent knew or reasonably should have known that Section 1239(1)(g) of the Code, MCL 500.1239(1)(g), provides that:

In addition to any other powers under this act, the director 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 director shall not issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

...

- (g) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

By engaging in the misrepresentations set forth above, Respondent has provided justification for sanctions, under Section 1239(1)(g) of the Code, MCL 500.1239(1)(g).

6. As a licensee, Respondent knew or reasonably should have known that Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), provides that he may be sanctioned for violating any insurance laws, regulations, or administrative rules. Respondent has provided justification for sanctions under Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), because, as set forth above, he has violated Section 2003(1) of the Code, MCL 500.2003(1).


7. Based upon the actions set forth above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine and/or other licensing sanctions, including revocation of licensure.

#### IV. Order

Therefore, it is **ORDERED** that:

- A. Pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), Respondent shall pay a civil penalty of \$1,000.00.
- B. Pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), Respondent Daniel Ray Gould's insurance produce license (System ID No. 0766227) is **REVOKED**.

Anita G. Fox, Director  
For the Director:

  
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Joseph A. Garcia  
Special Deputy Director and General Counsel