



FARMERS

HAMJE  
CONSUMER PROTECTION

JAN 29 2007

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FILED

2007 JAN 30 A 9:02  
Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

John F. Hamje  
Deputy Insurance Commissioner  
Office of the Insurance Commissioner  
Po Box 40257  
Olympia WA 98504-0257

Dear Deputy Insurance Commissioner,

I am writing this in response to the order # D07-23 revoking my insurance licenses effective 2-1-07. I am requesting my right to "demand a hearing".

On or about October 2<sup>nd</sup> I received written notification from the Insurance Commissioners office stating that I had been selected for a random exam. I called and talked with Mary Manum who was conducting the exam and confirmed what she needed from me. She informed me that "No one had filed a complaint against me, it was a random exam." The exam was scheduled for October 17<sup>th</sup>. Upon her arrival I spoke with Mary Manum and in confidence told her I was missing receipts and that I may have commingled personal funds with my Separate Premium Account. She conducted her examination and found no deficiencies with my license, Farmers Insurance Group Trust Account and Return Premium. In fact she mentioned that the Farmers Insurance Group Premium Account was all accounted for and all funds were cleared and balanced. Upon examination of the Separate Premium account, "Other than Farmers Insurance Group Premiums" She stated there were deficiencies such as missing bank receipts, overdraft charges, cash withdrawals and check issued for personal use. She indicated that I was to reconcile my Separate Premium bank account and operating accounts and to provide missing bank receipts and missing receipts from customers. She indicated I could take my time since I was reconstructing my account over four years old. I submitted most of the bank receipts she requested the others had to be ordered and mailed to me since they were archived in the banks data base and would take several weeks to receive. I mailed the information to her on December 5<sup>th</sup>, 2006. Mary Manum called me on December 11<sup>th</sup>, 2006 and told me "you did not do what I asked you to do" I stated I gave her the missing bank statements that I was able to find and the receipts of specific clients, AtoZ Electric, Thomco Finance which I was able to provide to her. She stated the information I submitted was not acceptable and that she needed my bank statements and receipt books. I mentioned to her I would locate them but that my office was in an upheaval due to moving. She asked me were I was moving to and I said Wisconsin. She asked me if I still wanted to be an Insurance Agent and I said, "Yes". She mentioned that she could have my accounts reconstructed at my expense. This frankly scared me, and made me unsettled. She stated that I was out of compliance with several regulations and that the Insurance commissioner's would be notified about the discrepancies. I asked her if I should "Resign" and she said, "No". I wrote to Mary Manum on 12-11-2006 and told



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her I was unable to locate the receipt books she had in her possession October 17-18<sup>th</sup>. I had made several decisions regarding my Agency. I resigned from Farmers Insurance Group effective February 1<sup>st</sup> 2007(a decision made in August 2006. Originally not until 2010). Move to Wisconsin.

Considerations:

Being an Agent representing over 2000 policies, I have never received a complaint in my entire career over ten years.

As a Farmers Agent I wrote over five million dollars in premium and consistently remained profitable with the company.

Never Filed a claim on my E&O policy

Qualified as a TOPPERS agent for Farmers Insurance Group in 2003

Member of the National Association of Insurance and Financial Advisors since 1999

Former member of the National Association of Professional Mortgage Women

LUTCF, FSS designations – Striving for excellence on furthering my education.

Involved in the community and respected as a businessman.

In Summary:

I am not disagreeing that I was out of compliance with RCW: 48.17.600. I did find several of the bank statements the examiner requested as well as the specific receipts. Included is a copy of my latest audit from Farmers Insurance Group which shows no deficiencies. My Separate Premium account, accounts for less than 1% of my daily business. In fact the Separate account has had one transaction in the last six months. According to outside company commission procedures, Agent is allowed to take commissions from premium. The \$280 in written checks to the Casino was written after the Bank was closed for the day. These Checks were written in August 2006. I admit my bookkeeping and record keeping are poor and inconsistent. The operating account - \$2,992.68 is the result of unauthorized Electronic funds transfers from creditors and the Internal Revenue Service. I ask the Insurance Commissioner to consider my past history of advising clients showing competence and being trustworthy and that untrustworthy and source of injury and loss to the public be retracted from the order. I feel that the revocation and the language are very severe and can hinder my reputation and credibility. I am surrendering my license and my Agency to Farmers Insurance Group after what I feel has been an exceptional, rewarding and compelling career in the Insurance business.

Respectfully,

Michael A. Howell LUTCF, FSS