

**IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION**

**v.**

**JUNG KYU LEE  
7820 Ravenel Ct.  
Springfield, VA 22151**

**\* BEFORE THE MARYLAND  
\*  
\* INSURANCE COMMISSIONER  
\*  
\*  
\*  
\*  
\* CASE NO.: MIA-2025-10-023  
\*  
\* Fraud Division File No.: T-2025-313892  
\***

\*\*\*\*\*

**ORDER**

This Order is issued by the Maryland Insurance Administration (the “Administration” or the “MIA”) against Jung Kyu Lee (“Respondent”) pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.<sup>1</sup>

**I. RELEVANT MATERIAL FACTS**

1. Respondent and a woman (hereinafter “C.L.”<sup>2</sup>) cohabitated in Columbia, Maryland, along with two minor children (hereinafter “MINOR #1” and “MINOR #2”). C.L. is the biological mother of both children. C.L. has sole physical and legal custody of MINOR #2 pursuant to the terms of an Order for Custody and Child Support in the Circuit Court for Howard County, Case No. C-13-FM-18-1147 (“Court Order”). Respondent is the biological father of only MINOR #2 and he has reasonable and liberal access to MINOR #2 pursuant to the Court Order. C.L. and Respondent ceased living together on October 12, 2024, when Respondent moved out of the residence. C.L. continued to live in the residence in Columbia, Maryland with MINOR #2 and MINOR #1.

---

<sup>1</sup> Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

<sup>2</sup> The MIA uses initials to protect the identity of parties.

2. On November 9, 2024, C.L. made a complaint to the MIA regarding Respondent applying for a life insurance policy (hereinafter the “Policy”) for MINOR #1 without C.L.’s permission. C.L. reported that on October 26, 2024, after giving Respondent a ride in her car, she located documents in her car which identified a whole life insurance policy (# 13 \*\*\* 326) for MINOR #1 with New York Life Insurance Company (“NYL”), an authorized insurer. The documents reflected a policy inception date of June 25, 2024. As Respondent was not a parent or guardian of MINOR #1, C.L. suspected insurance fraud was committed in the application for the policy. As a result of C.L.’s complaint, the MIA conducted an investigation.

## **II. JURISDICTION**

3. The MIA has jurisdiction based upon the relevant law in the Insurance Article, § 1-201; and the Maryland long-arm statute, Md. Code Ann., Cts. & Jud. Proc. § 6–103 (Westlaw 2025). The facts are sufficient to confer personal jurisdiction over Respondent.

4. The Respondent performed an act relative to a “subject of insurance resident, located, or to be performed in the State.” Ins. Art. § 1-201. The subject of insurance is the child living in Maryland with her mother.

5. Respondent was not MINOR #1’s parent or guardian. MINOR #1 lived in Maryland with her mother, C.L. Respondent contracted to insure MINOR #1’s life. This would enable the MIA to assume jurisdiction over Respondent. Cts. & Jud. Proc. § 6-103.

6. Respondent had purposefully established minimum contacts with Maryland by taking out a life insurance policy on a child who lived in Maryland with her mother and for whom he was not a parent or guardian. He also established minimum contacts with Maryland by spending time with C.L. and with both of her children in Maryland. The MIA’s investigation reveals that Respondent

himself claimed to have a relationship with MINOR #1, even though he was not her parent or guardian.

### **III. THE MIA'S INVESTIGATION**

7. On November 15, 2024, the MIA notified NYL of the complaint against Respondent. Consequently, NYL's Special Investigations Unit ("SIU") conducted an investigation.

8. An NYL investigator conducted an investigation into Respondent's policy application for MINOR #1. As part of the investigation, the NYL investigator interviewed Respondent and reviewed his application for the policy. The application reflected that Respondent had reported himself as the father of MINOR #1, with MINOR #1 living at Respondent's Virginia address.

During the interview, Respondent made the following statements:

- Jung Lee is not [MINOR #1's] biological father.
- Jung Lee does have a relationship with [MINOR #1] but does not provide any financial support for her.
- Jung Lee would be open to canceling the policy due to the misrepresentation of the relationship with [MINOR #1], which he confirmed.
- Jung Lee acknowledged misleading New York Life Insurance agent [agent] into believing that [MINOR #1] was his biological daughter.

Upon concluding the investigation, the NYL investigator provided the MIA a summary of his interview with Respondent as well as a copy of the policy application.

9. An MIA investigator examined the policy application and noted the following:

- The Owner/Applicant section in Part 1 indicated Respondent was the father of MINOR #1, the proposed insured.
- The Primary Proposed Insured section in Part 1 reflected Respondent's Springfield, Virginia home as MINOR #1's residence, which was not true.
- The Statement of Agreement section in Part 10 displayed the following statement:

*NOTICE: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.*

- Part 12 of the application contained Respondent’s signature, where he acknowledged the following statement, which provides in pertinent part:

*By signing below, I... understand that I... acknowledge and agree to all of the certifications, statements and representations made in the application Part 1.... I accept and adopt as true all statements made by the Proposed Insured(s) in this Application.<sup>3</sup>*

10. On July 17, 2025, Respondent contacted the investigator in response to a 10 Day Letter of Cooperation emailed earlier that day. Respondent did not deny any of the allegations. He reported that he has had a relationship with MINOR #1 since she was three years old and thought of himself as a father to her. He did not offer an explanation for his untrue assertion in the application that she lived with him.

11. An MIA investigator obtained and reviewed NYL's SIU file. The records reviewed and the investigation conducted support the facts identified in the Relevant Material Facts portion of this Order.

#### **IV. MARYLAND INSURANCE LAWS**

12. The following provisions of the Insurance Article apply to acts and omissions of Respondent in the State.<sup>4</sup>

#### **§ 27–406**

It is a fraudulent insurance act for a person:

(1) knowingly or willfully to make a false or fraudulent statement or representation in or with reference to an application for insurance;

\* \* \*

---

<sup>3</sup> The Proposed Insured is the Parent or Guardian when the actual Proposed Insured is under 14 years, 6 months; 15 years in NC; 18 years in PA.

<sup>4</sup> The failure to designate a particular provision in this Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

**§ 27-408(c)**

(c)(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud[.]

\* \* \*

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

- (i) the nature, circumstances, extent, gravity, and number of violations;
- (ii) the degree of culpability of the violator;
- (iii) prior offenses and repeated violations of the violator; and
- (iv) any other matter that the Commissioner considers appropriate and relevant.

**13.** By engaging in the conduct described herein, Respondent knowingly violated § 27-406. The fraudulent act of making a false statement on an insurance application is complete upon making the false statement, and is not dependent on any payment in fact being made by the insurer. Respondent violated the Insurance Article when he completed a life insurance policy application with NYL, naming a child as the insured and himself as the owner of the Policy and beneficiary because he claimed to be the child's father. He was neither parent nor guardian of the child. He also claimed that the child resided with him in Virginia, when the child lived in Columbia, Maryland. His assertions were not true. Respondent is, therefore, subject to an administrative penalty under § 27-408(c).

**V. SANCTIONS**

**14.** Insurance fraud is a serious violation, which harms consumers in that all losses suffered by insurance companies are passed on to consumers in the form of increased premiums. The Commissioner has the authority to investigate any complaint which alleges that a fraudulent claim has been submitted to an insurer. §§ 2-201(d) (1) and 2-405.

15. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that it is appropriate to impose a penalty of \$2,000.00 against Respondent.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (T-2025-313892) and name (Jung Kyu Lee). Payment of the administrative penalty shall be sent to the attention of: Shanice Deramus, Fiscal Department, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

17. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Respondent including the conduct that is the subject of this Order.

**WHEREFORE**, for the reasons set forth above, and subject to the right to request a hearing, it is this 22nd day of October 2025, **ORDERED** that:

Jung Kyu Lee shall pay an administrative penalty of Two Thousand Dollars (\$2,000.00) within 30 days of the date of this Order.

MARIE GRANT  
Insurance Commissioner

BY: (signature on original)  
ROBERT GUYNN  
Associate Commissioner  
Fraud & Enforcement Division

## **RIGHT TO REQUEST A HEARING**

Pursuant to § 2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to § 2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is served. The request shall include the following information:

- (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved;
- (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and
- (3) the ultimate relief requested.

The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against the Respondent in a Final Order after hearing.

The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Clerk – Office of Hearings.