

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

JAVAD IQBAL QURESHI  
1800 Harford Road  
Baltimore, Maryland, 21213

BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2016-05-018  
Fraud Division File No.: R-2016-0384A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Javad Iqbal Qureshi (“Qureshi” or “Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)(“the Insurance Article”).

**I. Facts**

1. Respondent had automobile insurance coverage with California State Automobile Association General Insurance Company (“CSAA”), an authorized insurer, for his 2002 Ford. The policy was effective from April 9, 2015 through April 9, 2016.
2. On June 12, 2015, Respondent’s vehicle was parked and unoccupied in the 1800 block of Harford Road, Baltimore, Maryland, when it was struck by an unknown hit and run vehicle.
3. A Baltimore City police officer responded to the hit and run accident and authored an accident report (#153F05163), confirming Respondent’s vehicle was parked and unoccupied when it was struck on June 12, 2015 at 1:05 a.m.
4. On June 12, 2015, Respondent provided a recorded statement to CSAA. He advised that “last night,” his vehicle was parked and unoccupied when it was struck by a hit and run driver. Respondent stated that a neighbor notified him that someone hit his car and fled.

5. On June 24, 2015, Respondent notified CSAA that he had been injured in the June 12, 2015 accident. Contrary to his initial statement, he now advised he had been sitting in his vehicle when it was struck by the hit and run driver.

6. On June 29, 2015, CSAA transferred the investigation to its Special Investigation Unit (“SIU”), as Respondent’s statement on June 24, 2015 contradicted his June 12, 2015 statement. A private investigator with TriFactor Consultants was assigned to the investigation.

7. On July 17, 2015, the TriFactor Investigator interviewed the police officer who authored the accident report involving Respondent’s vehicle. The officer reported he had interviewed Respondent as part of his investigation, and determined no one was in the vehicle when it was struck.

8. Section 27-802(a)(1) of the Maryland Insurance Article states, “An authorized insurer, its employees, fund producers, or insurance producers, ... who in good faith has cause to believe that insurance fraud has been or is being committed shall report the suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the appropriate federal, State, or local law enforcement authorities.” CSAA, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

9. During the course of its investigation, MIA confirmed CSAA’s handling of Respondent’s insurance claim.

10. On March 23, 2016, MIA interviewed the police officer who investigated the accident involving Respondent’s vehicle. The officer advised Respondent was located at a nearby residence, and he reported this vehicle was not occupied when it was struck.

## II. Violation(s)

11. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that the Respondent violated Maryland's insurance laws:

12. **§27-403**

It is a fraudulent insurance act for a person:

(2) to present or cause to be presented to an insurer documentation or an oral or written statement made in support of a claim...with knowledge that the documentation or statement contains false or misleading information about a matter material to the claim.

13. **§27-408(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; and

\*                    \*                    \*                    \*                    \*                    \*                    \*

(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.

14. By the conduct described herein, Respondent knowingly violated § 27-403. Because the fraudulent insurance act of submitting a false statement in support of a claim is complete upon submission of the false statement and is not dependent on payment being made, Respondent committed a violation of the law when he submitted a false statement to CSAA. As such, Respondent is subject to an administrative penalty under the Insurance Article §27-408(c).

### III. Sanctions

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

16. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$1,500.00 is an appropriate penalty.

17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-0384A) and name (Javad Iqbal Qureshi). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

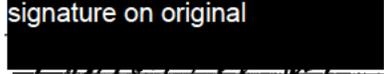
18. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by the Respondent including the conduct that is the subject of this Order.

**WHEREFORE**, for the reasons set forth above, and subject to the right to request a hearing, it is this 12<sup>th</sup> day of May 2016, **ORDERED** that:

(1) Javad Iqbal Qureshi pay an administrative penalty of \$1,500.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.  
Insurance Commissioner  
signature on original

BY:

  
NANCY GRODIN  
Deputy Commissioner

### **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 issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Hearings and Appeals Coordinator. 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.