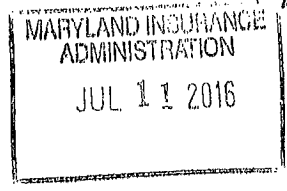


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BEFORE THE MARYLAND INSURANCE COMMISSIONER

**MARYLAND INSURANCE
ADMINISTRATION**



v.

**JONATHAN E. QUINONEZ
12617 Montclair Drive
Silver Spring, Maryland 20904**

CASE No.: MIA-

Fraud Division File No. R-2015-3629A

* * * * *

CONSENT ORDER

The Maryland Insurance Commissioner ("Commissioner") enters this Consent Order ("Order"), with the consent of Jonathan E. Quinonez ("Respondent"), pursuant to Md. Ann. Code, Insurance ("Insurance Article"), §§ 2-108, 2-204, to resolve the matter before the Insurance Administration ("Administration").

EXPLANATORY STATEMENT AND FINDINGS OF FACT

1. At no time relevant was Respondent licensed to operate as an insurance producer.
2. At no time relevant was Respondent appointed by Chesapeake Employers' Insurance Company ("CEIC").
3. At no time was Respondent or his employer General Insurance Agency of Wheaton, Inc. ("GIA") authorized to issues Certificates of Insurance ("Certificate") as the business was a limited producer and did not have binding authority or the authority to issue Certificates. GIA was required to go through CEIC in order to obtain a Certificate for an insured.
4. CEIC's operating procedure requires that all Certificates bear the signature of Kalma Kolbe, Vice President of Underwriting for CEIC.

5. On May 26, 2015, CEIC, Special Investigations Unit (“SIU”) notified the Maryland Insurance Administration (“Administration”) that Respondent, an administrative assistant with GIA, issued multiple Certificates to a prime construction contractor, which reflected that a sub-contractor had current general liability and workers’ compensation insurance coverage, although the insurance policies had been cancelled and the sub-contractor was uninsured.

6. Investigation by the Administration corroborated that between December 5, 2014 and March 6, 2015, Respondent presented four altered Certificates to a prime contractor which reflected a sub-contractor had current general liability and workers’ compensation insurance coverage; however, the sub-contractor had no active insurance as the policies had been cancelled.

7. The altered Certificates submitted by Respondent did not bear Ms. Kolbe’s name and were not issued by CEIC as required, but instead bore the name of Respondent’s supervisor which he cut and pasted onto some of the Certificates and then e-mailed the Certificates to the prime contractor.

8. On March 30, 2015, the Administration interviewed Respondent who admitted he issued four Certificates, which reflected that a subcontractor had current general liability and worker’s compensation insurance, although there was no coverage Respondent advised it was due to his error that the policies had been cancelled, and the sub-contractor was unaware of the cancellations. Respondent reported he felt responsible for the lapse in coverage as he did not send the statement of no loss to CEIC until August 12, 2014, after the policy had been cancelled on July 31, 2014. Respondent issued the Certificates so the sub-contractor would be paid by the prime contractor. As a result of Respondent’s submission of altered Certificates on CEIC policy [REDACTED], the prime contractor was held responsible by their workers’ compensation insurer Erie

for allowing an uninsured sub-contractor to work on their job site. Erie required the prime contractor to pay \$12,485.00 as a result of a premium audit.

9. The Administration's investigation found that Respondent violated §§ 10-103, 19-116, 27-405, 27-403, 27-405 and 27-406 of the Insurance Article.

10. The parties agree to this Consent Order to avoid litigation.

Violations

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

4. **§ 10-103**

(c) Except as otherwise provided in this article, before a person acts as an insurance producer in the State, the person must obtain:

(1) a license in the kind or subdivision of insurance for which the person intends to act as an insurance producer; and

(2) if acting for an insurer, an appointment from the insurer.

5. **§ 19-116**

(g) A person may not prepare or issue a certificate of insurance that the person knows contains false or misleading information or that purports to amend, alter or extend the coverage provided by the policy of insurance referenced in the certificate.

6. **§ 27-405**

It is a fraudulent insurance act for a person to act as or to represent to the public that the person is: (1) an insurance producer or a public adjuster in the State if the person has not received the appropriate license under or otherwise complied with Title 10 of this article.

7. **§ 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.

8. § 27-406
(5) with intent to deceive, knowingly to exhibit a false account, document, or advertisement about the affairs of an insurer.
9. § 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.

ORDER

WHEREFORE, for the reasons set forth above, it is this 13TH day of July 2016, **ORDERED** by the Commissioner and consented to by Respondent that:

- A. Respondent shall pay an administrative penalty in the amount of \$2,500.00 as follows:
- i. \$833.33 by July 8, 2016;
 - ii. \$833.33 by July 30, 2016;
 - iii. \$833.33 by August 30, 2016
 - iv. Payments must be received by these dates.
- B. Failure to pay as outlined in paragraph A, above constitutes a default. Notice of default is hereby waived by Respondent. Respondent agrees to pay the balance owed within 30 days of default. If Respondent fails to pay the balance owed within 30 days of default, the balance will be sent to the Central Collection Unit of the Department of Budget and Management for collection.
- C. The executed Order and Penalties shall be sent to the Maryland Insurance Administration to the attention of Steve Wright, Associate Commissioner, Insurance Fraud Division, 200 St.

Paul Place, Baltimore, MD 21202 and shall identify the case by number (R-2015-3629A) and name (Jonathan E. Quinonez).

- D. Respondent is prohibited from applying for a resident producer license for three (3) years.
- E. Respondent waives any and all rights to any hearing or judicial review of this Consent Order to which he would otherwise be entitled under the Maryland Annotated Code.
- F. Respondent has reviewed this Consent Order and has had the opportunity to have it reviewed by legal counsel of his choice. Respondent is aware of the benefits gained and obligations incurred by the execution of the Consent Order. After careful consideration, Respondent executes this Consent Order knowingly and voluntarily.
- G. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Consent Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Consent Order.
- H. This Consent Order shall be effective upon signing by the Commissioner or his designee.
- I. This Consent Order does not preclude any potential action by the Administration, any other person, entity, or governmental authority regarding any conduct by Respondent, including the conduct that is the subject of this Consent Order.
- J. This Order shall be effective upon signing by the Commissioner or his designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.
- K. Failure to comply with the terms of this Order may subject Respondent to further legal

and/or administrative action. This Order contains the **ENTIRE AGREEMENT** between the parties relating to the administrative actions addressed herein. This Consent Order supersedes any and all earlier agreements or negotiations, whether oral or written. No time frames set forth herein may be amended or modified without subsequent written agreement of the parties.

ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER

signature on original

By:

STEVE WRIGHT
ASSOCIATE COMMISSIONER

JONATHAN E. QUINONEZ'S CONSENT

JONATHAN E. QUINONEZ hereby CONSENTS to the representations made in, and terms of, this Consent Order.

signature on original

07/07/16

Date

Jonathan E. Quinonez