



4. As part of the claims handling process, a Nationwide claims adjuster performed an Insurance Services Office (“ISO”) claims history search and discovered Respondent had been involved in multiple accidents in Brooklyn, New York. Due to the prior loss locations and recent policy inception, the claims adjuster referred the matter to its Special Investigations Unit (“SIU”) for further investigation.

5. On July 21, 2016, SIU conducted a recorded interview with Respondent. She reiterated that her current address was 56 Lerner Court, Nottingham, Maryland 21236.

6. On July 28, 2016, SIU contacted the homeowner of 56 Lerner Court and he denied knowing Respondent or ever renting the home to her.

7. On August 16, 2016, Nationwide denied Respondent’s claim due to misrepresentations during the application process regarding “the garaging of the insured vehicle.”

8. On September 2, 2016, Nationwide canceled Respondent’s automobile policy, effective October 22, 2016, due to its discovery that her insured vehicles were garaged in New York and not Maryland.

9. Section 27-802(a)(1) of the Maryland Insurance Article states,

An authorized insurer, its employees, fund producers; 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.

Nationwide, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA Fraud Division.

10. In the course of its investigation, MIA contacted Nationwide and confirmed its handling of Respondent’s insurance application and auto accident claim. Nationwide

Underwriting performed an analysis and determined that Respondent's insurance premiums would have been \$2,278.50 higher had she disclosed that her vehicles were garaged in New York rather than in Maryland.

11. On October 25, 2016, MIA spoke to the homeowner of 56 Lerner Court. He advised he did not rent to Respondent and the house was vacant from March 1, 2016 to July 1, 2016, as it was under repair.

**II. Violation(s)**

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

13. § 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.

14. § 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.

15. By the conduct described herein, Respondent violated § 27-406. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

### **III. Sanctions**

16. 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.

17. Respondent submitted an insurance application and made false statements to Nationwide regarding her home address to influence the amount of her insurance premiums. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$5,278.50 is the appropriate penalty.

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-0537A) and name (Laura N. Agard). 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.

19. 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 18<sup>th</sup> day of November 2016, **ORDERED** that:

(1) Laura N. Agard pay an administrative penalty of Five Thousand Two Hundred Seventy-Eight Dollars and Fifty Cents (\$5,278.50) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.  
Insurance Commissioner

signature on original

BY:

STEVE WRIGHT   
Associate Commissioner  
Insurance Fraud 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 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 Respondent in a Final Order after hearing.