

3. Respondent was the owner of Prompt Restoration, Inc. ("Prompt"), located at 6675 Business Pkwy, Suite D, Elkridge, Maryland 21075.

4. On October 26, 2016, Martin signed a Service Order (#SO-16-535047-157) for work Prompt performed for the RMR Group, LLC ("RMR") a real estate management firm. Following the work, Prompt billed RMR via invoice dated October 20, 2016.

5. On October 26, 2016, an RMR representative sent an email to an accounts receivables representative for Prompt and requested a COI, "to prevent further delay in payment." The accounts receivables representative replied, "Jim is taking care of the COI's."

6. On October 27, 2016, Respondent sent an email to the RMR representative from jim@promptrestoration.com, which stated, "I have attached the proper COI..." The COI identified the insurance producer as Rosenkilde & Associates ("Rosenkilde") and contained an email address for a Rosenkilde "authorized representative." The COI reflected that Prompt had current insurance set to expire on various dates in 2017. The insurance included commercial liability, automobile, worker's compensation, comprehensive personal liability as well as an umbrella policy. The carriers were identified as Erie Insurance Exchange ("Erie"), Torus National Insurance Co. ("Torus"), Navigators Management ("Navigators"), Travelers Property and Casualty ("Travelers") and United Specialty Insurance Company ("United").

7. On October 27, 2016, the RMR representative who received the COI emailed it to the Rosenkilde authorized representative named in the COI, requesting the National Association of Insurance Commissioners ("NAIC") numbers.

8. Section 27-802(a)(1) of the 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.

9. On November 10, 2016, a Rosenkilde representative advised MIA, via email, "We believe Prompt Restoration is forging insurance certificates from our office..." The representative further explained that the authorized representative named on a COI submitted by Respondent to RMR had not been employed with Rosenkilde since July of 2015 and the policies Prompt had through Rosenkilde were expired.

10. On December 6, 2016, MIA contacted the RMR Representative who received the COI. She reported receiving the COI on October 27, 2016, via email from Respondent. The COI was provided to her for "contract purposes." The email from Respondent stated, "Sorry I did not get this to you yesterday but I did not get back to the office till after hours ...I have attached the proper COI..." The email contained a logo that read "Prompt Restoration Inc." and the name James Martin identified as "President, CEO."

11. On December 9, 2016, a representative with Torus advised MIA that Respondent had previously been insured with Torus, but the policy expired on July 24, 2016.

12. On December 13, 2016, a representative with Navigator advised MIA that Respondent had previously been insured with Navigator, but the policy was cancelled on September 14, 2015.

13. On December 16, 2016, a representative with United, also known as Meadowbrook Insurance Group reported to MIA that the policy number listed on the COI did belong to Prompt, but it was cancelled in January of 2015.

14. On December 28, 2016, a representative with Erie reported to MIA that Respondent had previously been insured with Erie; however, the most recent policy expired on February 5, 2016, and there has been no coverage beyond that date.

15. On January 23, 2017, Travelers reported to MIA that it had insured Respondent; however, the most recent policy expired in 2015.

16. An MIA investigator contacted Respondent regarding the COI presented to RMR. Respondent advised that he had insurance at that time, and on January 11, 2017, Respondent provided the MIA investigator with another COI, which reflected active commercial liability, automobile and umbrella insurance from April 25, 2016, through April 25, 2017, with Great Divide Insurance Company and Nautilus Insurance Company. The producer was identified as The Jacobs Company, Inc. ("Jacobs"). The MIA investigator contacted Jacobs and a representative advised the policies expired in August of 2016.

II. Violation(s)

17. 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:

18. **§ 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.

19. **§ 27-406(5)**

It is a fraudulent insurance act for a person:

(5) with intent to deceive, knowingly to exhibit a false account, document, or advertisement about the affairs of an insurer.

20. **§ 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.

21. By the conduct described herein, Respondent knowingly violated § 19-116(g) and § 27-406(5). As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

22. Respondent submitted a COI reflecting he had current commercial insurance through various dates in 2017. The policies had actually expired in 2015 or 2016, prior to the date he performed the work for RMR. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA determined that \$25,000.00 is an appropriate penalty under the statute.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-1449A) and name (James Martin). 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.

24. 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 14th day of February 2017, **ORDERED** that:

James Joseph Martin, Prompt Restoration, Inc. shall pay an administrative penalty of twenty-five thousand five dollars (\$25,000.00) 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.