

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

SHALA SHARIF RAFIQ-TRAN  
600 Fairview Avenue #2  
Takoma Park, Maryland 20912

\* BEFORE THE MARYLAND  
\*  
\* INSURANCE COMMISSIONER  
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CASE NO. : MIA-2018-10-021

Fraud Division File No.: R-2018-3426A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Shala Sharif Rafiq-Tran (“Respondent”), pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (“Insurance Article”).

**I. Facts**

1. Respondent had renter’s insurance with American Bankers Insurance Company of Florida, DBA Assurant, (“Assurant”), an authorized insurer, for her residence at 600 Fairview Avenue #2, Takoma Park, Maryland 20912. The policy was in effect from February 24, 2018 to February 24, 2019.

2. On February 27, 2018, Respondent notified Assurant that on February 26, 2018, an unknown person entered her vehicle and stole her book bag, laptop computer, iPhone, and school books. A Prince George’s County police officer wrote a theft report.

3. On March 23, 2018, Respondent submitted to Assurant a theft claim form containing a list of items purportedly stolen from her car, along with the following two receipts and a Gucci backpack product description:

- Best Buy receipt dated December 22, 2016 - MacBook laptop price - \$1,299.99.
- Apple Tysons Corner receipt dated December 5, 2017 - iPhone X price - \$1,149.00.
- Gucci retail website product description of a Gucci backpack - costing \$1,350.00.

Respondent noted the total replacement cost for the stolen items was \$3,798.99.

4. Respondent signed the theft claim form immediately after the following fraud warning:

“Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

5. On April 9, 2018, in an effort to authenticate the receipts submitted by Respondent, an Assurant representative contacted Best Buy and learned that Respondent returned the laptop on January 11, 2018. Subsequently, the representative contacted Apple Tysons Corner and learned that the iPhone X was returned.

6. 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.

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

7. In the course of its investigation, the MIA contacted Assurant and confirmed its handling of Respondent's claim.

8. On July 18, 2018, an MIA investigator interviewed a Best Buy representative who said Respondent purchased the laptop reflected on the receipt submitted to Assurant for \$1,299.00 on December 22, 2016, and returned it on January 11, 2017, for a full refund.

9. On July 27, 2018, in an effort to authenticate the \$1,149.00, iPhone X receipt dated December 5, 2017, an MIA investigator contacted the Apple, Inc. Loss Prevention Unit. A

loss prevention representative confirmed the iPhone X was returned on December 6, 2017, and provided the MIA with copies of the purchase and return receipts.

## II. Violation(s)

10. 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:

11. § 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[.]

12. § 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

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(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 the conduct described herein, Respondent knowingly violated § 27-403. A fraudulent insurance act of making a false statement or submitting a false document in support of a claim is complete upon making the false statement or submitting the false document and is not dependent on payment being made. Respondent committed a violation of the Insurance Article

when she made a false statement and submitted false documents to Assurant. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

### **III. Sanctions**

14. Insurance fraud is a serious violation that harms consumers as 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 that a fraudulent claim has been submitted to an insurer, Insurance Article §§ 2-201(d) (1) and 2-405.

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

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-3426A) and name (Shala Sharif Rafiq-Tran). 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.

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 17<sup>th</sup> day of October 2018, **ORDERED** that:

Shala Sharif Rafiq-Tran shall pay an administrative penalty of one thousand five hundred dollars (\$1,500.00) 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 served. 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.