

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

QADEER AHMAD SOHARWARDI  
11701 Owens Glen Way  
North Potomac, MD 20878

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. MIA-2014-06-039  
Fraud Division File No. R-2014-2198A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Qadeer Ahmad Soharwardi (“Soharwardi” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Annotated Code of Maryland (“the Insurance Article”).

**I. Facts**

1. On September 27, 2013, Respondent, co-owner of Express Rent-a-Car (“Express”) in Maryland filed a claim with United Services Automobile Association (“USAA”), reporting that a USAA insured rented a vehicle from Express, July 9 through July 21, 2013. Respondent claimed that when Express examined the vehicle upon its return, it had front-end damage not present when the USAA insured rented the vehicle. USAA assigned claim #



2. On November 21, 2013, Respondent faxed a subrogation demand to USAA, seeking \$2,543.73 as the cost of repairing the vehicle. Respondent also sent a copy of the vehicle rental agreement, a “D&B Restauration” (sic) repair estimate, photographs of the claimed damage and a copy of the front of an Express check written to “D&B Restauration,” for \$2,543.73.

3. USAA referred the case to the Special Investigations Unit (“SIU”), in part due to the spelling of the auto body shop’s name, “Restauration.”

4. SIU located a body repair shop named D&B Restoration, not Restauration, at the address reflected on the repair estimate submitted to USAA by Respondent. On December 19, 2013, SIU interviewed the owner of D&B Restoration who advised that the repair estimate submitted by Respondent was fabricated; his business did not issue the invoice and did not make repairs to the vehicle.

5. On December 20, 2013, SIU took a recorded statement from Respondent who reiterated that when Express recovered the vehicle, it had front-end damage not present at the time it was rented to the USAA insured. He maintained that the repair estimate he submitted was from the repair facility, which made the repairs, and when asked by SIU if he had paid \$2,543.00 for the repairs, he responded in the affirmative. Respondent reported that he personally faxed USAA a copy of the repair estimate, check, and rental agreement from his business facsimile machine in Maryland.

6. Section 27-802(a)(1) of the Insurance Article states, “An authorized insurer, its employees, producers...or agents, who in good faith have 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.” USAA, having a good faith belief that insurance fraud had been committed, referred the matter to the Maryland Insurance Administration Fraud Division.

7. MIA confirmed USAA’s handling of the claim as stated above.

8. At MIA’s request, the owner of D&B Restoration reviewed a copy of the repair estimate submitted to USAA by Respondent and advised that it was not created by his business,

citing that his business name was misspelled. He provided MIA with an example of an authentic estimate, and noted that in addition to the business name's misspelling, there are differences in the format and font on the header of the estimate where his business address appears. He further advised that he did not make repairs to the vehicle and did not receive a check for \$2,543.73 from the Respondent.

9. MIA contacted the USAA insured who had rented the vehicle. He stated that when he returned the vehicle, it had no front-end damage and was in the same condition as when he rented it. Additionally, he reported that an Express employee inspected it at that time, confirming it was in the same condition as when he rented it.

10. On March 28, 2014, MIA interviewed Express' Operations Manager, who provided Express' service and maintenance histories for the vehicle, which did not reflect the claimed repair work.

## 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 Respondent violated Maryland's insurance laws:

12. **§27-403(2)**

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 and is subject to an administrative penalty under the Insurance Article.

### 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 that a fraudulent claim has been submitted to an insurer. Insurance Article, §§2-201(d)(1) and 2-405.

16. Soharwardi submitted a repair estimate and a copy of the front of a check to USAA, representing that he paid \$2,543.73 to an automotive body shop, "D&B Restauration" (sic), to repair a vehicle. This check was never paid nor was the alleged repair effected. Having considered all relevant factors, including those set forth in Insurance Article §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$3,000.00 is an appropriate penalty.

17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2014-2198A) and name (Qadeer Ahmad Soharwardi). Unpaid penalties will be referred to the Central Collections Unit. 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 Soharwardi 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 30<sup>th</sup> day of June 2014, **ORDERED** that:

(1) Qadeer Ahmad Soharwardi shall pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

THERESE M. GOLDSMITH  
Insurance Commissioner

*Signature on original*

BY:

CAROLYN HENNEMAN  
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: Appeals Clerk. 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.