

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

ALEX HALL and  
APPEAL CATERING  
16906 Queen Anne Bridge Road  
Bowie, Maryland 20716

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2017-04-017

Fraud Division File No.: R-2017-0777A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Alex Hall and his company, Appeal Catering (“Respondent”), pursuant to §§ 2-108 and 2-204 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) (“the Insurance Article”).

**I. Facts**

1. A “certificate of insurance” (“COI”) is a document that is “prepared or issued by an insurer or insurance producer as evidence of property insurance or casualty insurance coverage.” Insurance Article § 19-116(a)(3)(i). Section 19-116(g) of the Insurance Article states, “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.”

2. The COI is an important document in that it serves as evidence to customers, contractors or other third parties that the business has obtained insurance. The COI indicates that the business or individual named as the insured has the financial resources available to protect those who may come to harm through the insured’s negligence.

3. Respondent is the owner of Appeal Caterers (“Appeal”) located at 16906 Queen Anne Bridge Road, Bowie, Maryland 20716.

4. Oxon Hill Manor (“Oxon Hill”) is a Prince George’s County, Maryland, Park and Recreational facility located at 6901 Oxon Hill Road, Oxon Hill, Maryland 20745.

5. Respondent had submitted a Certificate of Insurance (“COI”) to an Oxon Hill representative as a requirement for providing catering services. The COI reflected that Respondent had general liability insurance from December 6, 2015 through December 6, 2016. The insurance producer was identified as D.H. Lloyd & Associates, Inc. (“DH”), and the insurance carrier was identified as Hartford Fire Ins. Co. (“Hartford”), an authorized insurer.

6. On July 6, 2016, Respondent submitted a Health Permit and Food Handler’s License to an Oxon Hill representative in preparation for an event Appeal was scheduled to cater on July 8, 2016 at Oxon Hill.

7. The Oxon Hill representative examined the Health Permit and noticed it had expired. Therefore, she requested that Respondent submit an updated health permit which he provided. The Oxon Hill representative examined the second health permit and noted that the number “7” in the year 2017 was a different font type. She contacted the Prince George’s County Health Department and confirmed that Respondent’s health permit had expired.

8. Due to the issue with the aforementioned health permit, the Oxon Hill representative examined the COI and discovered that the font type in the “date area” was different than other numbers in the document. She contacted DH whose representative advised that it did not currently insure Respondent and the policy had expired. The Oxon Hill representative contacted Respondent and advised that in order to cater the event he would need a

valid COI. Ultimately, Oxon Hill received a COI reflecting Respondent was then insured through DMV Insurance Agency (“DMV”).

9. On August 16, 2016, an Oxon Hill representative sent an email to Hartford’s Special Investigations Unit (“SIU”) regarding the fraudulent COI.

10. On August 30, 2016, an investigator with Hartford’s SIU contacted DH whose representative advised that DH did not generate that COI and its records reflected that Appeal’s policy cancelled in 2012 for non-payment.

11. 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.”

On September 8, 2016, Hartford referred this matter to the MIA, Fraud Division.

12. MIA contacted Hartford and confirmed its handling of the investigation.

13. On March 21, 2017, an MIA investigator spoke with Mr. Hall who advised that he was out of town when the COI was presented to Oxon Hill, and someone in his office had sent the fraudulent COI and he had a current active insurance policy at that time with another insurer. MIA’s investigator requested that Respondent send the COI reflecting that he had a policy with another insurer at the time the fraudulent COI was presented. Respondent failed to do so.

14. On March 27, 2017, an MIA investigator contacted DMV. A representative confirmed that Respondent obtained insurance through DMV on July 7, 2016. One day before the scheduled event.

**II. Violation(s)**

15. 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:

16. **§ 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.

17. **§ 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.

18. **§ 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.

19. 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

20. Respondent submitted a COI reflecting he had current liability insurance. The policy had actually expired in 2012, and Appeal was not insured at the time the COI was presented to Oxon Hill. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$5,000.00 is an appropriate penalty.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-0777A) and name, (Alex Hall). 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.

22. 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 26<sup>th</sup> day of April 2017, **ORDERED** that:

(1) Alex Hall and Appeal Catering shall pay an administrative penalty of five-thousand dollars (\$5,000.00) 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.