

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

LAURA N. AGARD
210 Remsen Avenue #3
Brooklyn, NY 11212

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2016-11-032
Fraud Division File No.: R-2017-0537A

CONSENT ORDER

The Maryland Insurance Commissioner (“Commissioner”) and Laura N. Agard (“Respondent”), pursuant to §§ 2-108, 2-204 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) (“Insurance Article”), enter into this Consent Order to resolve the matter before the Maryland Insurance Administration (“MIA”).

EXPLANATORY STATEMENT AND FINDINGS OF FACT

1. On March 12, 2016, Respondent applied online for automobile insurance with Nationwide Affinity Insurance Company of America (“Nationwide”), an authorized insurer. When completing the Nationwide insurance application, Respondent advised that her address was 56 Lerner Court, Nottingham, Maryland 21236. Based upon information provided by Respondent in the application, Nationwide issued her a policy providing coverage for her two vehicles. The policy was to be effective March 12, 2016 to September 12, 2016.
2. On June 30, 2016, Respondent notified Nationwide that she was operating her 2014 Jeep, one of the insured vehicles, when she was involved in a motor vehicle accident in Brooklyn, New York, and suffered a back injury. Nationwide assigned claim #332109GD.
3. On June 30, 2016, Nationwide conducted a recorded interview with Respondent. She gave her current address as 56 Lerner Court, Nottingham, Maryland 21236.

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 house 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 substantially 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. Agreed Upon Sanctions

16. The parties agree to this Consent Order to fully and finally resolve all issues stated in the Initial Order and to avoid further litigation.

WHEREFORE, for the reasons set forth above, it is this 10th day of March, 2017, **ORDERED** by the Commissioner and consented to by Respondent that:

A. Respondent shall pay an administrative penalty in the amount of \$2,600.00 as follows:

- i. \$866.67 by March 1, 2017;
- ii. \$866.67 by April 1, 2017;
- iii. \$866.66 by May 1, 2017; and

B. Failure to pay as outlined in paragraph A, above constitutes a default. Notice of default is hereby waived by Respondent. Respondent agrees to pay the balance within 30 days of default. If she fails to do so the balance owed will be sent to the Central Collection Unit of the Department of Budget and Management for collection.

C. The executed Consent Order and penalties shall be sent to the Maryland Insurance Administration to the attention of Steve Wright, Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Baltimore, MD 21202 and shall identify the case by number (R-2017-0537A) and name (Laura N. Agard).

D. Respondent waives any and all rights to any hearing or judicial review of this Consent Order to which she would otherwise be entitled under the Maryland Annotated Code.

E. Respondent has reviewed this Consent Order and has had the opportunity to have it reviewed by legal counsel of her choice. Respondent is aware of the benefits gained and obligations incurred by the execution of the Consent Order. After careful consideration, Respondent executes this Consent Order knowingly and voluntarily.

F. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Consent Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Consent Order.

G. This Consent Order shall be effective upon signing by the Commissioner or his designee.

H. This Consent Order does not preclude any potential action by any other person, entity, or governmental authority regarding any conduct by Respondent, including the conduct that is the subject of this Consent Order.

I. Failure to comply with the terms of this Consent Order may subject Respondent to further legal and/or administrative action. This Consent Order contains the **ENTIRE AGREEMENT** between the parties relating to the administrative actions addressed herein. All time frames set forth in this Order may herein be amended or modified only by subsequent written agreement of the parties.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY: Steve Wright
STEVE WRIGHT
Associate Commissioner
Insurance Fraud Division

LAURA N. AGARD'S CONSENT

LAURA N. AGARD hereby CONSENTS to the representations made in, and terms of,
this Consent Order.

2/16/17
Date

L Agard
Laura N. Agard