

No. 2020-6399

**Official Order
of the
Texas Commissioner of Insurance**

Date: 07/21/2020

Subjects Considered:

Ayesha Nadeem Malik
[REDACTED]
Richmond, Texas 77406

Mir Consultants, Inc
[REDACTED]
Houston, Texas 77099

Consent Order
TDI Enforcement File Nos. 14962 & 14963

General remarks and official action taken:

This is a consent order with Ayesha Nadeem Malik (Malik) and Mir Consultants, Inc d/b/a Mir Insurance Agency (Mir), (collectively, Respondents). The department alleges that Malik operated Mir without the required agency license and assumed name filing since 2011. The department further alleges that Respondents willfully violated Insurance laws of this state, engaged in dishonest acts and practices, converted or misappropriated funds, and misrepresented the terms and conditions of an insurance policy.

Waiver

Respondents acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Respondents waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Pursuant to TEX. INS. CODE § 82.055(b), Respondents do not admit to a violation of any provision of the Texas Insurance Code or a rule of the department. Respondents further

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maintain that the existence of a violation is in dispute. However, for the purposes of settlement, Respondents have agreed to this order.

Findings of Fact

Licensure

1. Malik, individual identification number 942684, holds a general lines agent license with a property and casualty qualification, issued by the Texas Department of Insurance on January 10, 2011.
2. Malik is the owner of Mir, an agency that did not have its own license, since December 23, 2011. Further, Mir has been conducting business under the assumed name of Mir Insurance Agency.
3. On or about August 15, 2017, Malik submitted an application to the department for a general lines agency license with a property and casualty qualification for Mir.

Agent Misconduct

4. On January 12, 2016, Respondents' employee obtained a quote for five dwelling policies for Mir's client, S.K., through Columbia Lloyds Insurance Company (Columbia Lloyds).
5. S.K. met and communicated with Respondents' employees. Further, Respondent's employees accepted each premium payment from S.K.
6. On January 14, 2016, S.K. paid Respondents \$915 for a dwelling fire insurance policy and was provided a receipt confirming his purchase. The premium amount for the Columbia Lloyds policies was quoted at \$750. Respondents overcharged S.K. by \$165.00, however, the premium payment was never remitted to Columbia Lloyds.
7. On January 18, 2016, Respondents' employee requested that the Columbia Lloyds dwelling policies be canceled stating the closing was postponed. S.K. maintains he had no knowledge of the cancelation and never requested the cancelation.

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8. On that same day, Respondents' employee set up a general liability policy through Tapco Underwriters, Inc. and signed S.K.'s name without his knowledge or consent. The premium amount for the general liability policy totaled \$614.25. Respondents applied S.K.'s original premium payment of \$915 for the five dwelling fire insurance policies, resulting in an overcharge of \$300.75.
9. On January 11, 2017, S.K. paid Respondents \$900 for a renewal of his insurance policy. S.K. was provided a receipt confirming his purchase which stated, "dwelling fire insurance policy[.]" However, S.K. signed insurance documents indicating the purchase of a general liability policy through Evanston Insurance Company (Evanston). The general liability policy premium totaled \$614.25 resulting in an overcharge of \$285.75.
10. On February 16, 2017, S.K. requested a cancelation of his policy.

Premium Payment Refunds

11. On March 3, 2017, Respondents received a refund for unearned premiums, minus unearned commissions, on the canceled general liability policy totaling \$373.80. Respondents issued a refund to S.K. on September 20, 2017.
12. On February 14, 2018, Respondents issued a check for \$900 to S.K. On May 7, 2018, Respondents issued an additional check for \$900, to S.K., although S.K. was not owed an additional \$900, in an effort to resolve the matter.
13. S.K. was provided a general liability policy in 2016 and part of 2017. S.K. further received in refunds from Respondents, more than the total amount paid in premium payments. S.K. paid a total of \$1,815 in premium payments and received \$2,188.80 in refunds from Respondents.
14. On or about, October 10, 2018, during a recorded conversation with Malik, S.K. demanded an additional \$25,000 to \$50,000 to prevent further action from being taken against her.

Additional Mitigating Information

15. During the time frame that is relevant to this order, Malik was frequently at the hospital caring for her ailing son. Unfortunately, her son passed away in early 2018.

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16. S.K. met with and obtained the above-detailed policies through the former owner of Mir, who had returned as an employee of the agency. Respondents no longer employ the previous owner.
17. Malik met with S.K. and discussed the situation only after the errors were discovered, and Malik made reasonable efforts to resolve the matter. Respondents ultimately provided S.K. with refunds totaling more than his initial premium payments, despite S.K. having an active policy for more than one year.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, and 4051.051.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Respondents have knowingly and voluntarily waived all procedural rights to which they may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Respondents have committed acts for which a license holder may be disciplined under TEX. INS. CODE § 4005.101, as contemplated in TEX. INS. CODE § 4005.102.
5. Respondents have willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4005.101(b)(1).
6. Respondents misappropriated, converted to their own use, or illegally withheld money belonging to an insured or insurer, in violation of TEX. INS. CODE § 4005.101(b)(4).
7. Respondents engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).

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8. Respondents have materially misrepresented the terms and conditions of an insurance policy or contract, in violation of TEX. INS. CODE § 4005.101(b)(6).
9. Respondents engaged in acts constituting the business of insurance without a license, as defined in TEX. INS. CODE §§ 101.051 and 4001.051, in violation of TEX. INS. CODE §§ 101.102, 4001.101, 4051.051 and 28 TEX. ADMIN. CODE § 19.902.
10. Respondents failed to register an assumed name by filing with the department a completed form LDTL together with the required fee, in violation of 28 TEX. ADMIN. CODE § 19.902.

Order

It is ordered that Ayesha Nadeem Malik and Mir Consultants, Inc. d/b/a Mir Insurance Agency must pay, jointly and severally, an administrative penalty of \$4,500 within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Enforcement Division, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

It is ordered that the general lines agency license with a property and casualty qualification is granted to Mir Consultants, Inc. (Mir Consultants). It is further ordered that the general lines agency license is suspended for one year, probated.

It is ordered that Mir Consultants file all necessary forms and documentation and pay all required sums to the department for the assumed name Mir Insurance Agency within 30 days from the date of this order.

If, during the probation period imposed by this order, the department issues any additional licenses or authorizations to Mir Consultants, those additional licenses or authorizations will be suspended until the probation period imposed by this order has ended. The suspension will be probated, and the same terms and conditions stated in this order will apply.

Beginning from the date of this order and continuing through the probation period, Mir Consultants must comply with the following terms and conditions:

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- a. It must provide written notice of this order to any appointing company, agency, or sponsor. Mir Consultants must provide the department with a copy of the notification within 30 days of the appointment or sponsorship to the Texas Department of Insurance, Enforcement Division, Mail Code 110-1A, P.O. Box 149104, Austin, Texas 78714-9104.
- b. It must file a written report, on or before the 15th day of the month on a quarterly basis (every third month) with the Texas Department of Insurance, Enforcement Division, Mail Code 110-1A, P.O. Box 149104, Austin, Texas 78714-9104. The reports must include the following information:
 - i. Mir Consultants current mailing address and telephone number;
 - ii. the name and mailing address of any insurer which has appointed Mir Consultants as a licensed agency;
 - iii. the name and address of any insurer which has canceled Mir Consultants appointment as a licensed agency; and
 - iv. a copy of any and all contracts Mir Consultants have entered into with an insurer, broker, managing general agent, managing general agency, or any person or entity in the business of insurance.
- c. Mir Consultants must notify the department immediately of the following:
 - i. any state or regulatory actions taken against it including formal and informal actions;
 - ii. any change of its business address; and
 - iii. any complaint made against it concerning its actions as a licensed agency, as well as a written explanation detailing the steps taken to resolve it.

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Kent C. Sullivan
Commissioner of Insurance

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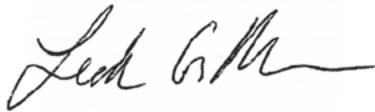
Doug Slape

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By:

Doug Slape
Chief Deputy Commissioner
Commissioner's Order No. 2018-5528

Recommended and reviewed by:




Leah Gillum, Deputy Commissioner
Enforcement Division



Stephanie Andrews, Staff Attorney
Enforcement Division

Approved as to form and content:



Anthony Icenogle
Counsel for Respondents

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Affidavit

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

"My name is Ayesha Nadeem Malik, owner of Mir Consultants, Inc. d/b/a/ Mir Insurance Agency. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

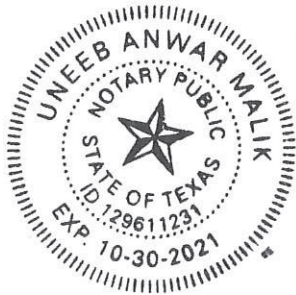
I waive rights provided by the Texas Insurance Code and other applicable law and acknowledge the jurisdiction of the commissioner.

I have knowingly and voluntarily entered into this consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the State of Texas."

Ayesha Nadeem Malik
Affiant

SWORN TO AND SUBSCRIBED before me on this 28th day of May, 2020.

(NOTARY STAMP)



Uneeb Malik
Signature of Notary of Public

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Affidavit

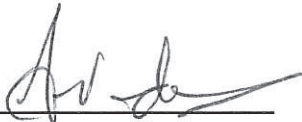
STATE OF TEXAS §
COUNTY OF HARRIS §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

"My name is Ayesha Nadeem Malik, owner of Mir Consultants, Inc. d/b/a/ Mir Insurance Agency (Mir). I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

Mir waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

Mir has knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on this 28th day of May, 2020.

(NOTARY STAMP)



Uneeb Malik
Signature of Notary of Public