

No. **2023-7776**

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

Date: 02/08/2023

Subject Considered:

Navinchandra Patel
P.O. Box 73288
Houston, TX 77273-3288

Consent Order
SOAH Docket No. 454-23-00967.C
TDI Enforcement File No. 27123

General remarks and official action taken:

This is a consent order with Navinchandra Patel (Patel) for misappropriating funds intended for premiums or premium refunds. This agreed order imposes a \$10,000 fine and orders Patel to make restitution in the amount of \$17,380.54. Further, this order imposes a two-year probated suspension of Patel's general lines agent license, subject to the terms and conditions stated herein.

Waiver

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

Findings of Fact

1. Navinchandra Patel, individual identification number 618541, holds a general lines agent license with a property and casualty qualification issued on February 11, 2005, and a life, accident, health, and HMO qualification issued on June 14, 2007.

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2. Patel conducts the business of insurance under his unincorporated company, "Insurance Service Group", through a dba filed with the Texas Department of Insurance (TDI) on October 5, 2010.
3. Between 2017 and 2021, Patel misappropriated \$6,679.43 intended for insurance premiums or premium refunds, belonging to VB.
4. In 2021, Patel misappropriated \$9,142.11 in premium refunds belonging to MB.
5. As a direct result of the misappropriation of funds belonging to MB, MB incurred additional losses in the amount of \$1,559.
6. Patel contends that the misappropriation was not intentional and resulted from his wife's diagnosis of renal failure in 2017, when his primary focus became the care and treatment for his wife, until her eventual passing in December 2022.
7. During his wife's illness, Patel asserts that he entrusted the financial aspects of his insurance business to his CPA, and did not have adequate time to oversee all of the CPA's activities. Patel indicated that he later discovered that some premiums were paid to the wrong company, and some payments were delayed resulting in cancellation.
8. In June 2022, Patel ceased taking in premium payments and now directs the insured to pay the premium directly to the company and the company to pay any refunds directly to the insured. Patel agrees not to write business with companies or individuals who will not adhere to this policy.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 4001.002, 4005.102, 4051.051, and 4054.051.
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. Patel has knowingly and voluntarily waived all procedural rights to which he may have been entitled regarding the entry of this order, including, but not limited to,

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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. Patel violated TEX. INS. CODE § 4005.101(b)(4)(A)&(C) by misappropriating funds belonging to an insurer or an insured.

Order

It is ordered that Navinchandra Patel pay an administrative penalty of \$10,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

It is further ordered that Navinchandra Patel pay restitution as follows:

- a. \$6,679.43 to VB within ten days of the date of this order
- b. \$10,701.11 to MB within ten days of the date of this order

Within 15 days of this order, Patel must submit copies of checks endorsed by the victims, or other confirmation that restitution has been paid in full, to EnforcementReports@tdi.texas.gov.

It is further ordered that Navinchandra Patel's general lines property and casualty and life, accident, health, and HMO licenses are suspended for two years. The suspension is probated pursuant to the terms and conditions stated in this order.

Beginning from the date of this order and continuing through the probation period, Patel must file a written report, on or before the 15th day of each month on a quarterly basis for the months of March, June, September, and December with the Texas Department of Insurance by emailing it to EnforcementReports@tdi.texas.gov. The reports must include the following information:

- a. List of all employees, or other individuals working for or on behalf of, Insurance Service Group or Patel, in his capacity as an agent or agency owner, including the license number of any individuals who are licensed by the department;
- b. the name, address, and contact number of any insurer which has appointed Insurance Service Group or Patel as an agent;

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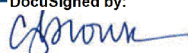
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- c. the name, address, and contact number of any insurer which has canceled Patel's appointment as an agent; and
- d. a copy of all contracts Insurance Service Group or Patel entered into with an insurer, broker, managing general agent, managing general agency, or any person or entity in the business of insurance.

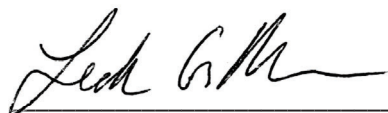
Patel must notify the department immediately of the following by emailing EnforcementReports@tdi.texas.gov:

- a. any charges or indictments filed against Patel for a misdemeanor or felony during the period he is required to file reports, excluding traffic offenses and Class C misdemeanors;
- b. any civil suits brought against Insurance Service Group or Patel in relation to the business of insurance; or
- c. any other complaint made against Insurance Service Group or Patel concerning his performance as an agent, including the name, address, phone, and policy number of the complainant, as well as a written explanation detailing the steps taken to resolve it.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

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A handwritten signature in cursive script, appearing to read "Nancy Williams".

Nancy Williams, Staff Attorney
Enforcement

Affidavit

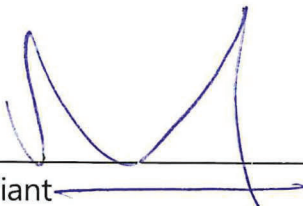
STATE OF Texas §

COUNTY OF HARRIS §

Before me, the undersigned authority, personally appeared Navinchandra Patel, who being by me duly sworn, deposed as follows:

"My name is Navinchandra Patel. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

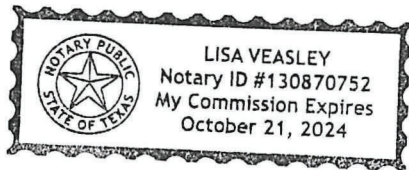
I have knowingly and voluntarily entered into the foregoing consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the state of Texas."

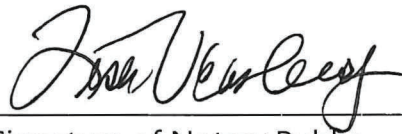


Affiant

SWORN TO AND SUBSCRIBED before me on January 30th, 2023.

(NOTARY SEAL)





Signature of Notary Public

Lisa Veasley

Printed Name of Notary Public