

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

OYEKUNLE OWOLABI
5 East Bend Court, Apt. B
Windsor Mill, Maryland 21244

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2615-09-038

Fraud Division File No.: R-2015-3226A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Oyekunle Owolabi (“Owolabi” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)(“the Insurance Article”).

I. Facts

1. On July 16, 2013, Respondent entered into a loan agreement with OneMain Financial in Randallstown, Maryland. In connection with the loan, he purchased “Involuntary Unemployment Insurance” underwritten by Triton Insurance Group (“Triton”), an authorized insurer. The insurance policy carried a maximum monthly benefit of \$750.00, and stipulated that as a result of the Debtor’s [Respondent’s] loss of salary from Involuntary Unemployment...the Company [Triton] will pay to the Creditor the monthly benefit...”

2. On November 18, 2014, Triton received an Involuntary Unemployment claim form from Respondent, specifying he became unemployed on October 17, 2014, when the company he worked for, Regional Care Givers (“RCG”), “closed,” and his “job ended.”

3. On November 28, 2014, Triton sent a letter to Respondent requesting, *inter alia*, a check stub or payroll history indicating the exact hours he worked the week the policy was incepted.

4. In response, Respondent provided Triton with a copy of an RCG "earnings statement" issued to him for the pay period of June 14, 2013 through June 28, 2013. The earnings statement cited RCG's address as 17 42nd Street, NE, Washington, DC 20019.

5. On February 6, 2015, Triton contacted RCG to verify Respondent's payroll records. RCG advised Triton that the earnings statement was not legitimate and that Respondent was never employed by RCG. Therefore, Triton referred the claim to its Special Investigations Unit ("SIU").

6. Section 27-802(a)(1) of the Maryland Insurance Article states, "An authorized insurer, its employees, or insurance producers, 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." Triton, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

7. In the course of its investigation, MIA contacted Triton and confirmed its handling of Respondent's claim.

8. On July 1, 2015, an MIA investigator went to 17 42nd Street, NE, Washington, DC 20019 to verify RCG's business address reflected on Respondent's earnings statement. The investigator located a residential apartment building; there were no businesses at the address.

9. On August 20, 2015, MIA interviewed the President of RCG. He advised that 17 42nd Street, NE, Washington, DC 20019 is not and has never been an address for RCG. Further, he confirmed that Respondent has never been employed by RCG.

II. Violation(s)

10. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that the Respondent violated Maryland's insurance laws:

11. **§27-403**

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.

12. **§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.

III. Sanctions

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

14. By the conduct described herein, Respondent violated §27-403 and is subject to the imposition of an administrative penalty under the Insurance Article.

15. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$1,500.00 is an appropriate penalty.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-3226A) and name (Oyekunle Owolabi). 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.

17. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by the 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 24th day of September 2015, **ORDERED** that:

(1) Oyekunle Owolabi pay an administrative penalty of \$1,500.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:

signature on original

CAROLYN PIENNEMAN
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 the Respondent in a Final Order after hearing.