

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

CARL HENRY VAN DUNK  
45618 Longfields Village Drive  
Great Mills, Maryland 20634

\* BEFORE THE MARYLAND  
\*  
\* INSURANCE COMMISSIONER  
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\* CASE NO. : MIA-2015-12-036  
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\* Fraud Division File No.: R-2015-2886A  
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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Carl Henry Van Dunk ( “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. Respondent’s 2013 Toyota Prius was insured, with the Maryland Automobile Insurance Fund (“MAIF”), an authorized insurer. The policy was in effect from January 24, 2014 through January 24, 2015.
2. On November 28, 2014, Respondent contacted MAIF and added collision coverage and rental car reimbursement to his insurance policy.
3. On December 2, 2014, Respondent notified MAIF that on November 29, 2014, while operating his Toyota Prius, he was involved in a single vehicle accident. MAIF assigned claim number V089864.
4. On December 19, 2014, a MAIF claims adjuster interviewed Respondent. He again reported that he was operating his Toyota Prius on November 29, 2014, while in New York State, when he was involved in a single vehicle accident due to icy road conditions.

5. On December 29, 2014, a MAIF Claims Adjuster contacted the Sullivan County Sheriff's Office, New York, to confirm the date of Respondent's motor vehicle accident. A Sergeant with the Sheriff's Office advised that the accident occurred on November 27, 2014, which was one day prior to the date Respondent had added collision coverage and rental reimbursement to his MAIF policy.

6. On December 30, 2014, Respondent provided a MAIF claims adjuster with a copy of the police accident report. The police report reflected that the accident occurred on Saturday November 29, 2014, however, the day of week, "Saturday," and the date "29" were obviously handwritten; in all other respects, the report was typewritten.

7. On March 6, 2015, a MAIF Claims Adjuster received a copy of the police accident report directly from the Sullivan County Sheriff's Office. The report reflected the date of accident as Thursday, November 27, 2014. The report was typewritten and contained no handwritten characters.

8. On March 19, 2015, MAIF sent Respondent a letter denying his claim for material misrepresentation, stating, "On November 28, 2014 you added collision on your policy.... You reported that your vehicle was involved in an accident on November 29, 2014. Our investigation revealed that this loss occurred on November 27, 2014 prior to November 28, 2014, the date you added collision to your policy.... Therefore, there is no coverage for this loss."

9. 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." MAIF, having a good faith belief that Respondent

committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

10. During the course of its investigation, MIA confirmed MAIF's handling of Respondent's insurance claim.

11. On November 10, 2015, MIA obtained an official copy of the motor vehicle accident report from the Sullivan County Sheriff's Office. The report confirmed that Respondent was involved in the motor vehicle accident on Thursday, November 27, 2014, not November 29, 2014, as he had reported to MAIF. The report indicated that Respondent was operating his Toyota Prius when it slid off the road. The Sheriff's Office also provided MIA with an arrest report which reflected Respondent had been arrested on November 27, 2014, following the accident.

## 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. **§27-403**

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;

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 knowingly violated §27-403. Because the fraudulent insurance act of submitting a false document or statement in support of a claim is complete upon submission of the false document or statement and is not dependent on payment being made, Respondent committed a violation of the law when he submitted a false document and made a false statement to MAIF. As such, Respondent is subject to an administrative penalty under the Insurance Article §27-408(c).

### **III. Sanctions**

16. 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.

17. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$3,000.00 is an appropriate penalty.

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-2886A) and name (Carl Henry Van Dunk). 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.

20. 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 17<sup>th</sup> day of December 2015, ORDERED that:

(1) Carl Henry Van Dunk pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.  
Insurance Commissioner

BY: signature on original  
VICTORIA AUGUST  
Acting 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.