

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

GENNY ALMONTE
1208 Dahlia Ct.
Bel Air, Maryland 21014

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2016-08-015
Fraud Division File No.: R-2016-3531A

ORDER

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

I. Facts

1. Respondent had a Renter’s Protection Insurance Policy with United Services Automobile Association ("USAA"), an authorized insurer. The policy covered personal property owned by Respondent as well as optional coverage for his personal computer. The policy was in effect from July 24, 2015 through July 24, 2016.

2. On March 11, 2016, Respondent notified USAA that on February 27, 2016, his personal computer fell and was damaged. USAA assigned claim number 016928080018.

2. On April 13, 2015, in support of his claim, Respondent provided USAA with a computer repair invoice (#24927) from Computer Renaissance reflecting a total of \$937.00 for computer repairs.

3. On April 15, 2016, a USAA claims adjuster contacted Computer Renaissance to verify the \$937.00 invoice submitted by Respondent. A representative of Computer Renaissance denied issuing Respondent a \$937.00 invoice. The representative provided the adjuster with a

copy of a diagnostic report provided to Respondent which reflected various options, with the most expensive being a \$289.00 repair cost. Consequently, Respondent's claim was referred to USAA's Special Investigations Unit ("SIU") for further investigation.

4. On April 18, 2016, a USAA SIU investigator interviewed the owner of Computer Renaissance to verify the invoice submitted by Respondent. The owner confirmed that the invoice submitted to USAA by Respondent was not issued by his company and that the document his company issued was in the form of a letter as with all such diagnostic requests.

5. On April 18, 2016, an SIU investigator interviewed Respondent who admitted that he created the \$937.00 invoice because his deductible was \$250.00 and he needed the money to get his laptop repaired.

6. USAA denied Respondent's claim as it determined that he misrepresented a material fact; therefore, no coverage was provided.

7. 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."

USAA, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud Division.

8. MIA contacted USAA and confirmed its handling of Respondent's claim.

9. On July 25, 2016, an MIA investigator interviewed the owner of Computer Renaissance. He confirmed his company did not issue Respondent an invoice for \$937.00. The owner advised he completed an estimate to repair Respondent's computer in the form of a letter as he does with all estimates.

10. On July 26, 2016, an MIA investigator interviewed Respondent who admitted that he created the \$937.00 invoice and submitted it to USAA as the repair estimate was less than his deductible.

II. Violation(s)

11. 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:

12. **§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.

13. **§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

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(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.

14. By the conduct described herein, Respondent violated § 27-403. Because the fraudulent insurance act of submitting a false document in support of a claim is complete upon submission of the false document and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when he submitted a false document to USAA.

As such, Respondent is subject to an administrative penalty under the Insurance Article §27-408(c).

III. Sanctions

15. 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.

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

17. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$1,000.00 is an appropriate penalty.

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-3531A) and name (Genny Almonte). 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.

19. 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 5th day of August 2016, **ORDERED** that:

(1) Genny Almonte pay an administrative penalty of \$1,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY: signature on original
STEVE WRIGHT 
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.