

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

DONNIE J. ANDERSON  
7103 Willow Hill Drive  
Capitol Heights, Maryland 20743

\* BEFORE THE MARYLAND  
\*  
\* INSURANCE COMMISSIONER  
\*  
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\*  
\* CASE NO. : MIA- 2015-03-012  
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\* Fraud Division File No.: R-2015-1312A  
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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Donnie Anderson (“Anderson” 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. Respondent had a renter’s insurance policy with United Services Automobile Association (USAA), an authorized insurer. Policy number [REDACTED] was in effect from September 30, 2013 until September 30, 2014.

2. On July 2, 2014, the Respondent reported to the police that his 2011 Nissan Maxima was stolen. A Prince George’s County, Maryland police officer authored an incident report, documenting the automobile theft. Respondent notified USAA, his automobile insurance carrier, of the theft.

3. On July 5, 2014, Respondent provided a statement to USAA, and reported that when his car was stolen, it contained numerous items of value, including tools.

4. On July 15, 2014, a Washington, D.C. Metropolitan police officer recovered Respondent’s stolen car.

5. On July 15, 2014, following the recovery of his car, Respondent contacted USAA and reported that items of value, including tools, stored in his car prior to its theft were missing

upon its recovery. USAA opened a claim under Respondent's renter's insurance policy and assigned claim number [REDACTED].

6. In support of his loss claim, Respondent provided USAA with an inventory of items he claimed were taken from his car, as well as a document labeled "customer invoice" (invoice), from Grainger Industrial Supply Company (Grainger), dated October 13, 2013, for tools, which totaled \$5,319.40.

7. During the claims handling process, a USAA adjuster contacted Grainger to confirm the invoice. A Grainger representative advised the name and ID number on the invoice could not be located in their system (which tracks all consumer purchases), and the invoice was not genuine.

8. Based upon the foregoing, Respondent's claim was referred to USAA's Special Investigations Unit (SIU).

9. On October 3, 2014, a USAA SIU investigator interviewed Respondent who reported that he had purchased the tools. When the investigator advised Respondent that Grainger had no record of his purchases, Respondent offered to supply USAA with other evidence as proof that he purchased the tools; however, he failed to do so.

10. On November 7, 2014, USAA sent Respondent a denial letter, advising they would not make payment on his claim as he misrepresented material facts.

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

12. MIA confirmed USAA’s handling of the claim as set forth above.

13. MIA interviewed the Prince George’s County police officer who authored the stolen automobile report. She advised Respondent did not report having tools in the vehicle when it was stolen, consequently, her report does not reflect the loss of any tools.

14. At MIA’s request, a Grainger representative examined the invoice submitted to USAA by Respondent. The representative advised that the invoice was not a legitimate Grainger document and there was no record of an October 13, 2013 purchase for the items listed. The representative advised that the customer account number on the document was invalid.

## II. Violation(s)

15. 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:

16. **§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.

17. **§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 \$25,000.00 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.

18. By the conduct described herein, Donnie Anderson violated §27-403(2) and is subject to an administrative penalty under the Insurance Article.

### **III. Sanctions**

19. 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.

20. 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.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-1312-A) and name (Donnie J. Anderson). 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.

22. 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 9<sup>th</sup> day of March 2015, **ORDERED** that:

(1) Donnie J. Anderson pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.  
Insurance Commissioner

BY:   
CAROLYN HENNEMAN  
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.