

**IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION**

v.

**Miles Braxton
4909 Devitt Place
Oxon Hill, MD 20745**

CASE NO.: MIA-2025-03-022

Fraud Division File No.: R-2024-3127

ORDER

This Order is issued by the Maryland Insurance Administration (the “Administration” or the “MIA”) against Miles Braxton (“Respondent”) pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.¹

I. RELEVANT MATERIAL FACTS

1. On December 26, 2023, Respondent applied for automobile insurance for his 2021 KIA Seltos (the “Policy”) with Progressive Select Insurance Company (“Progressive”), which at all relevant times held a Certificate of Authority from the State of Maryland to act as a private passenger automobile liability insurer. Relying on the accuracy of the information provided in Respondent’s application, Progressive issued the Policy, which was in effect from December 26, 2023 until June 26, 2024.
2. On January 6, 2024, ten days after Respondent obtained the Policy with Progressive, Respondent notified Progressive that on January 3, 2024, while driving, he swerved to avoid hitting a deer and damaged his vehicle. Progressive opened a claim.

¹ Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

3. On January 8, 2024, a Progressive representative interviewed Respondent, who reported that on January 3, 2024, at approximately 9:30 AM, he was traveling from his mom's house to his aunt's house for a family function in Bowie, Maryland. Respondent advised that as he was turning into his aunt's community a deer jumped into the road, causing him to swerve to the right to avoid hitting the deer. Respondent stated that the roads were clear so he thought he had enough traction to regain control of the vehicle. However, he impacted and scraped his wheels against the curb, ran over the curb and hit a pole between the curb and the sidewalk causing damage to both passenger side wheels, passenger side rear door and the front bumper near the headlight. Respondent also stated that the pole had staples which caused streaks along the right side of the vehicle. Respondent advised that there were no witnesses, he did not notify the police and he had his vehicle towed by the American Automobile Association ("Triple A" or "AAA") to KIA of Bowie.

4. Progressive referred Respondent's claim to its Special Investigations Unit ("SIU"), as the Respondent's claim was made ten days after the inception of his policy with Progressive.

5. On January 8, 2024, a Progressive investigator spoke with J.S. from KIA of Bowie who advised that he wrote the intake form and repair order for Respondent's vehicle when it was towed to their dealership on December 26, 2023 at approximately 11:57 AM. J.S. stated that Respondent asked whether the dealership could do an oil change and a Maryland state vehicle inspection while the vehicle was at the dealership. However, J.S. advised Respondent that given the damages to the fender and bumper, his vehicle would not pass state inspection.

6. On January 9th and 12th, a Progressive investigator attempted to contact Respondent, but to no avail. The investigator spoke with J.S. again who reiterated Respondent's vehicle remained at their dealership since being towed there on December 26, 2023, so there was no way it could have

been involved in an accident on or about January 3, 2024. J.S. also provided Progressive with a copy of the intake, repair order and photographs, which Respondent asked him to take on January 5, 2024.

7. On February 21, 2024, Progressive sent Respondent an “Important information about your policy” letter, stating “[w]e nonrenewed your policy,” and that “[a] nonrenewal notice has been sent due to misrepresentation.”

8. On February 22, 2024, a “Nonrenewal Notice” was mailed to Respondent, providing him with his “Right of Protest” information as provided by § 27-613.

9. On February 23, 2024, Progressive sent Respondent a letter denying his claim, which stated in pertinent part:

FRAUD OR MISREPRESENTATION

* * *

We may deny coverage for an accident or loss if you:

1. made incorrect statements or representations to us with regard to any material fact or circumstance;
2. concealed or misrepresented any material fact or circumstance; or
3. engaged in fraudulent conduct; at the time of application, or in connection with any requested change, or at any time during the policy period.

* * *

The investigation to date reveals that the date of incident was misrepresented to obtain coverage. Thus, the Company will not be responsible to pay for this part of the loss.

10. 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.

11. Progressive, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud and Enforcement Division, which opened an investigation.

II. THE MIA'S INVESTIGATION

12. On October 9, 2024, upon receipt of Progressive's fraud referral related to the claim submitted by Respondent, the MIA, Civil Fraud Unit opened an investigation into Respondent's conduct.

13. On October 23, 2024, as part of its investigation, the MIA notified the Respondent via certified mail, return receipt requested, of the claim filed against him by Progressive and advised him to contact the Civil Fraud Unit within 10 days from the date of the letter. The certified letter was returned unclaimed on November 19, 2024.

14. On December 17, 2024, an MIA investigator listened to a recording of the statement Respondent gave to a Progressive claims adjuster. Respondent reported to the adjuster that on January 3, 2024, he swerved his vehicle to avoid hitting a deer, crashed into the curb and a pole, causing damage to his vehicle. According to Respondent there were no losses prior to this accident. Respondent advised that shortly after the accident he had his vehicle towed to KIA of Bowie by Triple A, and it has remained there throughout the claims process. In addition, Respondent stated that he did not take photographs of the damages. As such, the adjuster advised Respondent that Progressive needed additional information to verify the loss happened on January 3, 2024 because the loss occurred within 30 days after the inception of his policy.

15. During the course of the investigation, an MIA investigator reviewed the KIA of Bowie Repair Order documenting KIA of Bowie's receipt of the vehicle, dated December 26, 2023, 11:57 AM. When the vehicle was received by KIA of Bowie, a dealership representative clearly documented damage to the fender and door on the Repair Order.

16. Progressive documentation was reviewed indicating the policy on the vehicle was issued December 26, 2023 at 2:01 PM via an internet application. Therefore, the damage to the vehicle pre-existed the activation of the insurance policy by a minimum of 2 hours.

17. An MIA Investigator spoke to the assigned Progressive SIU investigator who confirmed the vehicle remained at KIA of Bowie from December 26, 2023 through January 3, 2024. Therefore, Respondent's claim that this damage occurred on January 3, 2024 was fictitious.

18. Despite the Administration's attempt to reach Respondent, he never contacted the Civil Fraud Unit and never offered any explanation as to the discrepancies in his story.

III. VIOLATION(S)

19. 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:

§ 27-403(2)

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.

§ 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.

20. By the conduct described herein, Respondent knowingly violated § 27-403(2). The fraudulent insurance act of making a false statement in support of a claim is complete upon making the false statement and is not dependent on payment being made. A fraudulent insurance act pursuant to § 27-403(2) does not require that the person who commits the act obtain control over the payment sought by the claim. All that is required is that the person makes a false or misleading statement in support of a claim demanding payment. *See* § 27-401(b)(1) (“‘Claim’ means a demand for payment or benefit under a policy or contract by an insured....”). The Respondent violated the Insurance Article when he falsely reported to Progressive that on January 3, 2024, he damaged his vehicle while trying to avoid hitting a deer, rather than on December 26, 2023. As such, Respondent is subject to an administrative penalty under § 27-408(c).

III. SANCTIONS

21. 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. §§ 2-201(d) (1) and 2-405.

22. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that a fine of \$1,000.00 is an appropriate penalty.

23. Administrative penalties shall be made payable, by check or money order, to the Maryland Insurance Administration and shall identify the case by number (R-2024-3127) and name (Miles Braxton). Payment of the administrative penalty shall be sent to the attention of: Shanice

Deramus, Fiscal and Support Services, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

Unpaid penalties will be referred to the Central Collections Unit for collection.

24. 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 your right to request a hearing, it is this 25th day of March 2025, **ORDERED** that:

Miles Braxton shall pay an administrative penalty of One Thousand Dollars (\$1,000.00) within 30 days of the date of this Order.

MARIE GRANT
Acting Insurance Commissioner

BY: signature on original
ROBERT GUYNN
Associate Commissioner
Fraud & Enforcement 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 served. 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.

The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Clerk – Office of Hearings.