

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

v.

**LADAVIA DEMPSEY
9404 OWINGS HEIGHTS CIRCLE
APT 202
OWINGS MILLS, MD 21117**

CASE NO.: MIA-2025-11-001

Fraud Division File No.: R-2025-311409

ORDER

This Order is issued by the Maryland Insurance Administration (the “MIA”) against Ladavia Dempsey (“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. FACTS

1. On March 30, 2021, Respondent applied for automobile insurance with Government Employees Insurance Company, also known as GEICO (the “Policy”), 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, GEICO issued the Policy, policy number 6059446713, with an effective date of March 30, 2021 for a 2018 Chevrolet Equinox, VIN 3GNAXJEV1JL383260. This was the only vehicle listed on the policy at the date of inception.

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

2. On April 28, 2025 Respondent contacted GEICO via the internet and added a vehicle (identified as a 1977 Chevrolet Corvette with Vehicle Identification Number 1Z37L7S431014) and an additional driver (identified as *R.D.) to her insurance policy. The Declarations Page of the Policy indicates an effective endorsement for the policy as April 28, 2025 at 6:26 PM.
3. On April 29, 2025 GEICO was contacted by R.D. to report that the 1977 Chevrolet Corvette had been destroyed in a vehicle fire on April 28, 2025. Dempsey reported he was the driver of the vehicle at the time of the fire. After observing smoke and exiting the roadway, the vehicle became engulfed in flames.
4. On April 29, 2025, a GEICO representative interviewed R.D. who identified himself as the driver of the vehicle at the time of the fire. During the interview, which was recorded, R.D. reported the following:
 - At around 7PM on April 28, 2025, he was operating the vehicle in the area of Kane Street and Holabird Avenue in Baltimore, Maryland when he noticed smoke in the engine compartment.
 - He pulled onto the side of the road and the vehicle became fully engulfed in flames.
 - Bystanders contacted the fire department.
 - Respondent purchased the vehicle from R.D. on Saturday, April 26, 2025.
 - On April 26, 2025, the vehicle in question was registered to the Respondent, at which time he had assumed she added the vehicle to her GEICO insurance policy.
5. GEICO referred the claim to its Special Investigations Unit (“SIU”), as the Respondent had just added the vehicle to the policy the same day the fire occurred. Due to the damages incurred by the fire, the vehicle was a total loss.

6. On May 6, 2025, SIU contacted the Respondent regarding the claim and obtained a statement. During Respondent's statement, she admitted that when she was contacted by R.D. regarding the fire, she had not yet added the vehicle to her insurance policy. Immediately after being notified of the fire, Respondent added the vehicle through the GEICO online application. Therefore, the vehicle was not insured at the time of the incident. Based on this acknowledgement, the SIU representative asked Respondent if she wished to withdraw her claim. Respondent reported that she did not wish to withdraw her claim.
7. On May 12, 2025 Respondent received notice from GEICO that her policy would be cancelled as of May 23, 2025 due to fraud concerns. On May 13, 2025 GEICO provided payment to Respondent in the amount of \$8,880.46 via check mailed to 9404 Owings Heights Cir Apt 202, Owings Mills, MD 21117.

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.

8. 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.

9. GEICO, 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. MIA'S INVESTIGATION

10. On July 8, 2025, upon receipt of GEICO's fraud referral related to the claim submitted by Respondent, the MIA, Civil Fraud Unit opened an investigation into Respondent's conduct.

11. On July 9, 2025 contact was made with GEICO SIU Robinson regarding Respondent's GEICO policy. SIU Robinson reported that according to the underwriting notes Respondent added the 1977 Chevrolet Corvette to her GEICO policy on April 28, 2025 at 6:26 PM via the internet portal.

12. On July 10, 2025, as part of its investigation, the MIA notified the Respondent via certified mail, return receipt requested, of the claim filed against her by GEICO and advised her to contact the Civil Fraud Unit within 10 days from the date of the letter. Notice of attempt to deliver was left at the residence on July 11, 2025 with no response for redelivery. The letter was also sent via email, with no response.

13. The MIA investigator reviewed the recorded interview of R.D. conducted by GEICO SIU Robinson. During the interview R.D. reported that the fire occurred at approximately 7 PM on April 28, 2025. R.D. further reported that the registered owner is the policy holder, Ladavia Dempsey. When the vehicle caught fire, nearby witnesses contacted the fire department to respond.

14. The Baltimore City Fire Department was sent a request for records pertaining to the vehicle fire that occurred in the evening on April 28, 2025 in the area of Holabird Avenue and Kane Street, Baltimore MD. The report provided by the Baltimore City Fire Department indicates the call for service was received at 5:45 PM, and firefighters arrived on scene at 5:53PM. The scene was

cleared at 6:08PM. This indicates that the fire occurred 41 minutes prior to the vehicle being added to the GEICO policy at 6:26 PM by the Respondent.

15. Photographs were provided by R.D. of the vehicle immediately following the vehicle fire. One photograph depicts a severely burned vehicle and what appears to be a firefighter. The metadata on this photograph indicates that it was taken at 6:04 PM on the date of the fire, April 28, 2025. This image further indicates that the vehicle fire occurred prior to the addition of the vehicle to the GEICO policy by the Respondent.

16. Despite the Administration's attempt to reach Respondent, Respondent never replied to the requests of the Civil Fraud Unit in reference to this incident.

17. The MIA investigation revealed that the vehicle was not insured at the time of the fire but was added forty-one (41) minutes after the fire. The investigator obtained time stamped video footage corroborating the date and time of the fire along with documents provided by the SIU investigator showing that the request to add the vehicle to the GEICO policy occurred after the fire.

III. VIOLATION(S)

18. 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.

19. 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 she falsely reported time that the 1977 Chevrolet Corvette was destroyed in a fire. The vehicle was destroyed at approximately 5:45 PM on April 28, 2025. Respondent, knowing that the vehicle had been destroyed, applied to have the vehicle insured and then falsely stated that the vehicle had been destroyed at 7 PM on April 28, 2025. As such, Respondent is subject to an administrative penalty under § 27-408(c).

IV. SANCTIONS

20. 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.

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

22. Administrative penalties shall be made payable, by check or money order, to the Maryland Insurance Administration and shall identify the case by number (R-2025-311409) and name (Ladavia Dempsey). 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.

23. 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 3rd day of November 2025, **ORDERED** that:

A. Ladavia Dempsey shall pay an administrative penalty of Two-Thousand Dollars (\$2,000.00) within 30 days of the date of this Order.

MARIE GRANT
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.
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