

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

TAHISHA MURRAY
24 McChurch Court, Apt. A
Randallstown, Maryland 21133

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2015-09-031

Fraud Division File No.: R-2015-2461A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Tahisha Murray (“Murray” 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 [REDACTED] with American Bankers Insurance Company of Florida (“American”), an authorized insurer, for her Maryland residence. The policy period was May 4, 2014 to May 4, 2015, and provided coverage for personal property owned by Respondent.

2. On November 22, 2014, Respondent notified American that on November 21, 2014, someone broke into her vehicle and stole her personal items.

3. On December 4, 2014, in support of her claim, Respondent emailed the following receipts totaling \$12,585.00, to American.

- Neiman Marcus - tote bag in the amount of \$5,690.00;
- Saks Fifth Avenue - boots in the amount of \$2,295.00;
- Chanel - handbag in the amount of \$4,600.00.

4. On January 22, 2014, American contacted Neiman Marcus as well as Saks Fifth Avenue (“Saks”) to validate the receipts submitted by Respondent. Both retailers advised

American that the receipts were not valid. Therefore, American referred the claim to its Special Investigations Unit (“SIU”).

5. On February 2, 2015, an American SIU investigator contacted Neiman Marcus and Saks to validate the receipts submitted by Respondent. The investigator provided each retailer with a copy of its purported receipt. In response, both retailers advised that the receipts were not valid.

6. The American SIU investigator took a recorded statement from Respondent on February 5, 2015. During the statement, Respondent said she personally made each of the foregoing purchases. Additionally, she said each merchant provided her with the receipts that she in turn submitted to her insurer.

7. On March 14, 2015, American notified Respondent that it was denying her claim as its investigation determined she intentionally provided false information.

8. Section 27-802(a)(1) of the Maryland Insurance Article states, “An authorized insurer; its employees, or insurance producers, 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.” American, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud Division.

9. In the course of its investigation, MIA contacted American and confirmed its handling of Respondent’s insurance claim.

10. MIA contacted a Neiman Marcus loss prevention associate and provided him with a copy of the purported Neiman Marcus receipt submitted to American by Respondent. The representative advised that the receipt was false and explained that the employee identification

number, register number as well as the store identification number on the receipt were not valid. The representative searched all company-wide transactions for the date displayed on the receipt and concluded that the purchase reflected on the receipt was not made.

11. MIA contacted a representative from Chanel's Finance Department and provided her with a copy of the Chanel receipt submitted to American by Respondent. The representative advised MIA the item reflected on the receipt was purchased with cash in Las Vegas, Nevada, by someone other than Respondent.

12. MIA contacted a loss prevention representative from Saks and provided her with a copy of the Saks receipt submitted to American by Respondent. The representative stated that the receipt was not valid, specifying that the order number was invalid. She further advised that there was no transaction within Saks' sales database matching such a purchase.

II. Violation(s)

13. In addition to all relevant sections of the Insurance Article, MIA relies on the following pertinent sections in finding that the Respondent violated Maryland's insurance laws:

14. **§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.

15. **§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.

16. By the conduct described herein, Murray knowingly 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, Murray committed violations of the law when she submitted false documents to American. As such, she is subject to an administrative penalty under the Insurance Article §27-408(c).

III. Sanctions

17. 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.

18. Respondent submitted false receipts to her insurer in support of her insurance claim and made a false statement to her insurer. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$6,000.00 is an appropriate penalty.

19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-2461A) and name (Tahisha Murray). 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 22nd day of September 2015, **ORDERED** that:

(1) Tahisha Murray pay an administrative penalty of \$6,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

signature on original

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.