

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

LAMAR ROUHLAC
2550 Ambling Circle
Crofton, Maryland 21114

* BEFORE THE MARYLAND
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* INSURANCE COMMISSIONER
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* CASE NO. : MIA-2016-64042
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* Fraud Division File No.: R-2016-2236A
* R-2016-2237A
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ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Lamar Rouhlac (“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 an automobile insurance policy with Government Employees Insurance Company (“GEICO”), an authorized insurer, for a 2001 Ford Expedition. The policy was in effect from November 7, 2015 to May 7, 2016.

2. On December 21, 2015, Respondent notified GEICO that the insured vehicle was damaged as a result of a hit and run accident. GEICO assigned claim # 0361217840101219.

3. On December 22, 2015, a GEICO Auto Damage Appraiser (“ADA”) inspected and photographed the damage to Respondent’s vehicle. The ADA noted the damage appeared to be the same as Respondent reported in June, 2015. Consequently, GEICO referred the matter to its Special Investigations Unit (“SIU”) for further investigation.

4. On December 28, 2015, GEICO SIU met with the GEICO ADA and compared photographs of Respondent’s previous claims. SIU concluded that the damage reported by Respondent on December 21, 2015 “mirrored” previous claims made by Respondent for losses

on May 17, 2010, June 1, 2015 and December 5, 2015. Respondent was paid \$1,081.35 to repair his vehicle for the May 17, 2010 claim, and \$1,775.50 for the June 1, 2015 claim, which included \$299.93 for rental car expenses. Respondent was not paid for the December 5, 2015 or December 21, 2015 claims.

5. In each of the aforementioned claims, Respondent reported his car was parked and unoccupied when it was struck by a hit and run driver.

6. On December 30, 2015, SIU conducted a recorded interview with Respondent. When confronted with the evidence that he filed several claims for the same damage, he withdrew his claim.

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.”

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

8. During the course of its investigation, the MIA contacted GEICO and confirmed its handling of Respondent's claim.

9. On March 29, 2016, MIA interviewed Respondent. He advised that the damage to his vehicle was pre-existing. Nevertheless, he made additional claims to GEICO for the same damage on June 1, 2015, December 5, 2015, and December 21, 2015. Respondent stated he will pay restitution to GEICO.

II. Violation(s)

10. The MIA relies on the following pertinent sections of the Insurance Article in finding that Respondent violated Maryland's insurance laws:

11. § 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.

12. § 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

(ii) order restitution to an insurer or self-insured employer of any insurance proceeds paid relating to a fraudulent insurance claim.

* * * * *

(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.

13. By the conduct described herein, Respondent knowingly violated § 27-403 and is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

14. 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.

15. Respondent filed three fictitious claims for damage to his 2001 Ford Expedition. Respondent admitted he filed the false claims to receive financial benefits. GEICO paid \$1,775.50 for Respondent's claimed damage and rental vehicle expenses before the insurer discovered that Respondent's claims were false. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that three thousand dollars (\$3,000.00) is an appropriate penalty under that statute.

16. Respondent is ordered to reimburse GEICO \$1,775.50, which is the amount Respondent received based upon GEICO's reliance on information found to be false.

17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-2236A & R-2016-2237A) and name, (Lamar Rouhlac). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Deputy Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

18. Notification of reimbursement to GEICO shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or canceled check issued to GEICO as proof of reimbursement and identify the case by number (R-2016-2236A & R-2016-2237A) and name, (Lamar Rouhlac).

19. 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 25th day of April 2016, ORDERED that:

(1) Lamar Rouhlac shall pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

(2) Lamar Rouhlac shall pay restitution to GEICO in the amount of \$1,775.50 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY: 
NANCY GRODIN
Deputy Commissioner

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 Respondent in a Final Order after hearing.