

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

TAMEKIA W. TATE
46484 Chapman Drive
Lexington Park, MD 20653

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2016-08-007

Fraud Division File No.: R-2016-3677A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Tamekia Tate (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)(“Insurance Article”).

I. Facts

1. Respondent had a cancer insurance policy with American Family Life Assurance Company of Columbus (“AFLAC”), an authorized insurer. The policy went into effect on July 1, 2012.
2. The policy covered Respondent and all dependent children for cancer screening up to \$75.00 per year, limited to one payment annually for each named insured.
3. Between June 2015 and August 2015, Respondent submitted 26 AFLAC Cancer Wellness Benefit Claim Forms (“claim forms”) to AFLAC for herself and six purported dependents. Relying on the aforementioned claim forms, AFLAC paid Respondent \$1,950.00 in benefits. The 26 claims were stated to be for cancer screenings for Respondent and the six dependents named on the claim forms, dating back to 2012.

4. Each of the aforementioned claim forms identified Respondent as the policyholder, the type of treatment, the named dependent and the identity of the treating physician. Each claim form contained a fraud warning and was signed by Respondent.

5. During a routine audit, AFLAC noticed Respondent had filed an unusually high number of cancer screening claims for herself and purported dependents. The claim forms indicated that she and each of the named dependents had received annual chest x-rays over the course of several years. Based on these factors, the claims were referred to AFLAC's Special Investigations Unit ("SIU") for further investigation.

6. On April 4, 2016, AFLAC SIU sent Respondent a letter requesting records to support her benefit claims. Respondent did not respond to AFLAC's request for information. On June 24, 2016, AFLAC SIU sent a letter to Respondent requesting restitution in the amount of \$1,950.00. Respondent did not respond to that letter.

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.

AFLAC, 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, MIA contacted AFLAC and confirmed its handling of Respondent's claim.

9. MIA contacted a representative for the treating physicians listed on the 26 claim forms submitted to AFLAC by Respondent. The representatives confirmed that the physicians

never provided treatment to any of the purportedly covered dependents or Respondent, as set out in the claims forms.

II. Violation(s)

10. 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:

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.

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(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. As such, Respondent 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 submitted fictitious Cancer Wellness Benefit Claim forms to AFLAC. Relying on those claim forms, AFLAC paid Respondent \$1,950.00. The claim forms were submitted for services never performed. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$8,000.00 is an appropriate penalty.

16. Additionally, Respondent is ordered to reimburse AFLAC \$1,950.00, which is the amount she received based upon AFLAC's reliance on claims later that were fraudulent.

17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-3677A) and name, (Tamekia Tate). 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.

18. Notification of reimbursement to AFLAC 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 cancelled check issued to AFLAC as proof of reimbursement and identify the case by number (R-2016-3677A) and name, (Tamekia Tate).

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 3rd day of August 2016, **ORDERED** that:

(1) Tamekia Tate pay an administrative penalty of \$8,000.00 within 30 days of the date of this Order.

(2) Tameika Tate pay restitution to AFLAC in the amount of \$1,950.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:  signature on original
STEVE WRIGHT
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.