

purchased for \$1,653.66 (order #36558450469), as well as a receipt from Cole-Haan for an attaché case purchased on February 15, 2014 for \$338.13.

4. During the claims handling process, an Assurant claims adjuster contacted Dell to verify its receipt; a Dell representative advised the receipt was false. Consequently, Assurant referred the claim to its Special Investigation Unit (“SIU”) for investigation.

5. On June 6, 2016, Respondent contacted Assurant and advised that on June 4, 2016, someone again entered his apartment and stole, among other things, medication. Assurant assigned a separate claim number (00102008430) to document this second burglary claim.

6. On June 8, 2016, in support of his second claim, Respondent submitted to Assurant another claim form in which he documented that medication had been stolen during the June 4, 2016 burglary, along with a receipt from Fort Washington Hospital for medication, dated May 4, 2016 for \$8,176.80.

7. In both claims Respondent made to Assurant, he signed the claim forms which contained the following fraud warning:

Any person who knowingly and with intent to defraud any insurance company... may subject such person to criminal and substantial civil penalties.

8. On June 14, 2016, Respondent’s second burglary claim was also assigned to Assurant SIU.

9. On June 14, 2016, SIU contacted OptumRX to verify the \$8,176.80 receipt pertaining to the May 4, 2016 claim; a representative advised Respondent’s medication cost \$195.00, not \$8,176.80. Further, SIU contacted Dell and a representative confirmed the receipt Respondent submitted on May 9, 2016 was not valid.

10. On June 20, 2016, SIU conducted a recorded interview with Respondent and confronted him about the legitimacy of the Dell receipt. Respondent maintained that the receipt was provided to him by Dell.

11. On June 30, 2016, Assurant sent Respondent a letter denying his claim as he provided misleading information.

12. 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.

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

13. During the course of its investigation, MIA contacted Assurant and confirmed its handling of Respondent's claims.

14. MIA contacted OptumRX to validate the receipt Respondent submitted to Assurant on May 9, 2016; an OptumRX representative confirmed Respondent did not receive a medication order in April 2016.

15. MIA contacted Dell to validate the laptop receipt Respondent submitted to Assurant on May 9, 2016; a Dell representative confirmed order #36558450469 was not a valid order, adding that Dell order numbers contain nine digits, opposed to the eleven digits referenced on the receipt Respondent provided to Assurant.

16. MIA contacted Cole-Haan to validate the attaché case receipt Respondent submitted to Assurant on May 9, 2016; a representative advised Respondent did not make a purchase on February 15, 2014 for \$338.13. The representative noted Respondent is a customer but did not purchase any items on February 15, 2014, or make any prior purchases for \$338.13.

17. MIA contacted Fort Washington Hospital to validate the medication receipt Respondent submitted to Assurant on June 8, 2016; a representative advised the receipt was not valid.

18. Prior to either of the two alleged burglaries described in paragraphs 2 and 5, Respondent notified Assurant that on April 26, 2016, someone entered his apartment and stole among other things a Dell Alienware laptop computer and prescription medication. Assurant assigned Claim # 00101993066.

19. On April 29, 2016, in support of his April 26, 2016 claim, Respondent submitted to Assurant an OptumRx receipt date March 10, 2016, (order # 166354395) for medication costing \$8,176.80. The receipt reflected that the medication was purchased via credit card number ending in 7339 and that this order was paid in full. Except for the order number and date, this receipt is identical to one Respondent submitted to Assurant regarding his May 4, 2016 burglary claim referenced in paragraph #3. An OptumRx representative advised that aforementioned order number is associated with Respondent; however, the actual date of the order was September 11, 2015, and the credit card ending in 7339 was charged \$195.00.

20. On May 3, 2015, in support of his April 26, 2016 claim, Respondent submitted to Assurant a Dell Alienware Laptop receipt dated August 10, 2011, order number 765349704 for \$1,390.71. A Dell representative advised MIA that the aforementioned order was canceled by the "customer." Accordingly, the item was not in Respondent's possession at the time of the alleged burglary

II. Violation(s)

21. 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:

22. **§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.

23. **§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.

24. By the conduct described herein, Respondent 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 by an insurer, Respondent violated the law when he submitted altered receipts to Assurant. As such, Respondent is subject to an administrative penalty under the Insurance Article 27-408(c).

III. Sanctions

25. 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.

26. Respondent submitted fictitious receipts to support his burglary claims to Assurant. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$7,500.00 is an appropriate penalty.

27. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-4200A) and name, (Kevin A. Jenkins). 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.

28. 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.

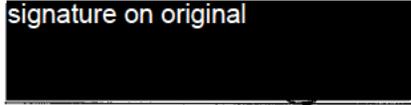
WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 11th day of April 2017, **ORDERED** that:

(1) Kevin A. Jenkins shall pay an administrative penalty of \$7,500.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

signature on original

BY:


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.