

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

ROBERT GREAVES
113 Onondaga Drive
Oxon Hill, Maryland 20745

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2016-11-027
Fraud Division File No.: R-17-0503A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Robert Greaves (“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. On July 26, 2016, Respondent completed an online insurance application with Allstate Property and Casualty Insurance Company (“Allstate”), an authorized insurer. The policy became effective on July 26, 2016, at 9:18 p.m.

2. Under the heading notice on page 4 of 4 of the Allstate insurance application the following warning stated:

[A]ny person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

3. On July 28, 2016, at 12:30 p.m., Respondent reported to Allstate that on July 27, 2016, at about 9:00 a.m., he was operating his insured 2008 Kawasaki Ninja motorcycle when he was involved in an accident with a Nissan 270Z and a Chevy Tahoe that were stopped at a red light. Respondent provided Allstate with the names of the two individuals who operated the

other vehicles with whom he had the accident, hereinafter identified as “Driver 1” and “Driver 2.”

4. On July 28, 2016, an Allstate claims adjuster obtained a recorded statement from Driver 1 who advised that the accident occurred on July 26, 2016, a “little after 4:00 p.m.,” in Washington, D.C.

5. On July 28, 2016, Allstate referred the claim to its Special Investigations Unit (“SIU”) as Respondent was involved in an accident within ten days of obtaining the insurance policy.

6. On July 29, 2016, an Allstate SIU investigator interviewed Respondent who reiterated that the accident occurred at 9:00 a.m. on July 27, 2016, on O Street in Southeast Washington, D.C. and confirmed he purchased his Allstate automobile insurance policy online on July 26, 2016.

7. On August 10, 2016, the SIU investigator took a recorded statement from Driver 2 who stated that he was unable to recall the exact date of the accident, but said it occurred between 4:00 to 4:15 p.m. on a Tuesday, and he reported the accident to his insurance company, Allstate, the same day. The SIU investigator confirmed Driver 2 notified Allstate of the accident with Respondent on July 26, 2016.

8. On August 15, 2016, Allstate sent Respondent a denial letter. Allstate denied claim (#0422759860) as its investigation revealed that the accident occurred at 4:00 p.m. on July 26, 2016, before Respondent’s policy went into effect.

9. 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.

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

10. During the course of its investigation, an MIA fraud investigator contacted Allstate and confirmed its handling of Respondent's claim.

11. On October 11, 2016, an MIA fraud investigator conducted a telephone interview with Driver 2 regarding the accident he had with Respondent on July 26, 2016. Driver 2 said he gets off of work every day at 4:00 p.m. and that was how he knew the accident happened between 4:00 and 4:15 p.m. He advised that he reported the accident to his insurer, Allstate, about 20 minutes after the accident occurred.

12. On October 11, 2016, an MIA fraud investigator spoke with an Allstate claims adjuster who confirmed that Driver 2 reported the accident to Allstate on July 26, 2016, at 4:00 p.m.

13. On October 25, 2016, an MIA fraud investigator conducted a telephone interview of Driver 1 who stated that he was in an automobile accident with Respondent on July 26, 2016, just after 4:00 p.m.

14. On October 25, 2016, an MIA investigator conducted a telephone interview with Respondent who admitted he made a false statement to Allstate when he reported that the accident happened on July 27, 2016. The accident actually occurred on July 26, 2016, just after 4:00 p.m. Respondent confirmed that he applied for insurance on July 26, 2016, shortly after 9:00 p.m.

II. Violation(s)

15. 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:

16. **§ 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;

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17. **§ 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

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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.

18. By the conduct described herein, Respondent violated § 27-403. Because the fraudulent insurance act of submitting a false statement in support of a claim is complete upon submission of the false statement and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when he submitted a false statement to Allstate. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

19. 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.

20. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$1,500.00 is an appropriate penalty.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-17-0503A) and name (Robert Greaves). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Steve Wright, Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

22. 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.

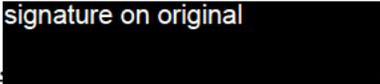
WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 17th day of November 2016, **ORDERED** that:

Robert Greaves pay an administrative penalty of \$1,500.00 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.