

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

v.

MEAGAN L. BOWENS
7828 Silver Leaf Court, Apt. F
Glen Burnie, Maryland 21061

CASE NO. : MIA- 2017-de-011
Fraud Division File No.: R-2017-1924A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Meagan L. Bowens (“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 automobile insurance for her Chevrolet Impala with Government Employees Insurance Company, (“GEICO”), an authorized insurer. The policy was in effect from August 5, 2016 through February 5, 2017. The policy contained a Personal Injury Protection (“PIP”) rider, providing benefits for medical costs and lost wages.

2. On August 17, 2016, Respondent was operating her insured vehicle when she was struck by another vehicle. Respondent notified GEICO of the accident and it opened a PIP claim under claim number 0570124670101011.

3. On October 10, 2016, Respondent submitted to GEICO an application for PIP benefits in which she identified her employer as Washington Orthopaedics and Sports Medicine (“WOSM”), and reported that as a result of the August 17, 2016 accident, she was injured and missed work from August 19, 2016 to August 23, 2016, and September 30, 2016 to October 7, 2016. Respondent noted that her average weekly salary was \$720.00. Respondent also

submitted a Wage and Salary Verification form, (“Wage Form”), which stated she was absent from work following the accident from August 18, 2016 through August 19, 2016, and from October 3, 2016 through October 6, 2016. A note on the wage form stated “not enough PTO [paid time off] hours to cover these days.” The wage form was ostensibly signed by Respondent’s supervisor. Respondent’s employer’s phone number was written on the wage form as “501-652-0998.”

4. Both of the aforementioned documents contained the following fraud warning:

Any 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.

5. On December 2, 2016, a GEICO claims agent referred Respondent’s claim to the Special Investigations Unit (“SIU”) as he was unable to verify Respondent’s lost wages.

6. On December 12, 2016, a GEICO investigator met with a human resources Representative for WOSM. She examined lost wage documents submitted to GEICO by Respondent and advised that none of the documents were provided by WOSM and the supervisor’s signature on the wage form was forged. The investigator also spoke with WOSM’s Chief Executive Officer (“CEO”) who reported that no one from the company completed the documents; she spoke with the person whose signature appeared on the wage form as “supervisor,” and confirmed it was not her signature. The investigator also learned that Respondent resigned her employment with WOSM on September 15, 2016.

7. Section 27-802(a)(1) of the Insurance Article states,

An authorized insurer, its employees, fund producers, or 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 April 18, 2017, the CEO for WOSM advised MIA that the WOSM employee identified on the wage form as supervisor is not a supervisor, and did not sign the form. That employee provided MIA with a copy of her signature, which does not match the signature on the lost wages form. The CEO advised that phone number "501-652-0998" was not associated with WOSM. Further, Respondent had taken PTO on August 18 and August 23, 2016, and three hours PTO on August 19, 2016. Respondent resigned from WOSM on September 1, 2016, and her last workday was September 15, 2016.

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

* * * * *

(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 violated § 27-403. 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. Respondent committed a violation of the Insurance Article when she submitted the false documents to GEICO. 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. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA determined that \$1,500.00 is the appropriate penalty under the statute.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-1924A) and name (Meagan L. Bowens). 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.

17. This Order does not preclude any potential or pending action by any other person, entity, or government authority, regarding any conduct by the 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 14th day of June 2017, **ORDERED** that:

Meagan L. Bowens shall 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 Respondent in a Final Order after hearing.