

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

AJEE CRAWFORD
1434 Gesna Drive
Hanover, Maryland 21076

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2017-08-011
Fraud Division File No.: R-2017-2568A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Ajee Crawford or (“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. On February 20, 2017, Respondent obtained automobile insurance for her 2013 Nissan Altima from Government Employees Insurance Company (“GEICO”), an authorized insurer. The policy went into effect on February 21, 2017.
2. On February 21, 2017, Respondent notified GEICO that on the same date at 6:30 a.m., she and her mother were sitting in her insured vehicle, parked in the unit block of N. Ellamont Street, Baltimore City, Maryland when it was struck by a school bus.
3. On February 23, 2017, Respondent provided a recorded interview to a GEICO claims adjuster. Respondent reported that on February 21, 2017, her insured vehicle was parked and unoccupied on Ellamont Street when it was struck by a yellow school bus. Respondent submitted police report number (8170208043).

4. On February 23, 2017, GEICO referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation as Respondent's claim was made the same day the policy went into effect.

5. On February 23, 2017, a GEICO investigator interviewed the police officer who authored the accident report (8170208043) for Respondent. The officer advised that the accident occurred on February 16, 2017, although it was not reported by Respondent until February 20, 2017. The GEICO investigator also checked police calls for service records and found a call for a hit-and-run accident on Ellamont Street on February 20, 2017, which he noted was prior to the effective date of Respondent's GEICO insurance policy.

6. On March 2, 2017, GEICO denied Respondent's claim as its investigation revealed the accident occurred on February 16, 2017, prior to the effective date of Respondent's GEICO insurance policy.

7. Section 27-802(a)(1) of the Maryland 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. MIA contacted GEICO and confirmed its handling of Respondent's claim, and that the policy was bound February 21, 2017.

9. MIA obtained a copy of the Baltimore City Police accident report, which reflected that on February 20, 2017, Respondent reported that on February 16, 2017, her 2013 Nissan was

parked and unoccupied on Ellamont Street in Baltimore City, Maryland when it was struck by a school bus, which left the scene.

10. MIA obtained a copy of the Baltimore City Police Department’s call for service (“CFS”) report. The CFS report confirmed Respondent called the police department to report the motor vehicle accident on February 20, 2017, one day prior to the effective date of her GEICO insurance policy.

11. MIA reviewed a copy of the Respondent’s insurance policy. Respondent signed the policy electronically on February 20, 2017, at 8:41 p.m. The policy went into effect on February 21, 2017.

II. Violation(s)

12. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that the Respondent violated Maryland’s insurance laws:

13. § 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.

14. § 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.

15. By the conduct described herein, Respondent knowingly violated § 27-403. Because the fraudulent insurance act of making a false statement in support of a claim is complete upon making the false statement and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when she made a false statement to GEICO regarding the date of the accident. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

16. 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.

17. By the conduct described herein, Respondent violated § 27-403 and is subject to the imposition of an administrative penalty under the Insurance Article.

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

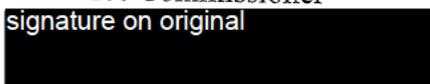
19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-2568A) and name (Ajee Crawford). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

20. 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 21st day of August 2017, **ORDERED** that:

Ajee Crawford shall pay an administrative penalty of fifteen hundred dollars (\$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 served. 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.