

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

OLUWOLE R. ODUBENA
1705 Shamrock Rd.
Capital Heights, Maryland 20716

* BEFORE THE MARYLAND
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* INSURANCE COMMISSIONER
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* CASE NO. : MIA-2017-09-016
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* Fraud Division File No.: R-2017-3038A
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ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Oluwole R. Odubena (“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. Respondent had automobile insurance for his 2001 Toyota with the Maryland Automobile Insurance Fund (“MAIF”), an authorized insurer. The policy was in effect from February 19, 2016 until August 12, 2017, when it was canceled by MAIF as Respondent failed to pay his insurance premiums.

2. On August 24, 2016, Respondent contacted a MAIF insurance producer and requested to have his MAIF policy reinstated. On the same date at 2:39 p.m., Respondent signed a Request For No-Lapse Policy Coverage, which specifically stated:

As a condition to this request, I certify that there have been no losses applicable to this policy or any policy rewritten from the date of cancellation or expiration 08/12/2016 to the date of this request.

Relying on Respondent’s attestation that there have been no losses from the date of cancellation, MAIF reinstated Respondent’s insurance policy.

3. On September 20, 2016, an attorney contacted MAIF and advised that he was representing a client (hereinafter "driver 2") who had been involved in a motor vehicle accident with Respondent on August 24, 2016, in Washington D.C.

4. On September 21, 2016, a MAIF claims adjuster contacted Respondent who confirmed having an accident with driver 2 in Washington D.C. He could not recall the date of the accident but stated it occurred at about 8:30 a.m., and a police officer wrote an accident report.

5. On September 23, 2016, a MAIF claims adjuster obtained a copy of the Washington D.C. police accident report and confirmed that Respondent's accident occurred on August 24, 2016 at 8:35 a.m., twelve days after Respondent's MAIF policy had been canceled and about six hours before Respondent's policy was reinstated.

6. On December 12, 2016, the MAIF claims adjuster concluded that Respondent was not insured by MAIF at the time of the August 24, 2016 accident, and the request for No-Lapse Policy Coverage was made after the accident. The claim was referred to MAIF's Special Investigation Unit ("SIU") for further investigation

7. On December 13, 2016, MAIF issued a denial letter stating that its investigation into the matter has determined there was no insurance coverage at the time of the accident.

8. 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.

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

9. In the course of its investigation, MIA contacted MAIF and confirmed its handling of the claim against Respondent's policy

10. On August 30, 2017, an MIA investigator interviewed driver 2 who confirmed the accident with Respondent occurred on August 24, 2016 between 8:15 a.m. and 8:30 a.m. in Washington D.C., nearly six hours before Respondent's policy was reinstated, contemporaneous with his Request for No Lapse Policy Coverage.

II. Violation(s)

11. 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:

12. **§ 27-406**

It is a fraudulent insurance act for a person:

(1) knowingly or willingly to make a false or fraudulent statement or representation in or with reference to an application for insurance.

13. **§ 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.

14. 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

15. 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.

16. 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.

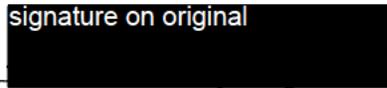
17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-3038A) and name (Oluwole R. Odubena). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 212

18. 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 26th day of September 2017, **ORDERED** that:

Oluwole R. Odubena 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

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.