

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

ALVONTE MARQUIS ZELLARS
4013 Payne Drive
Ft. Washington, Maryland 20774

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2017-10-007

Fraud Division File No.: R-2017-2746A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Alvonte Marquis Zellars (“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 October 10, 2015, Respondent was involved in a motor vehicle accident in Washington, D.C., with another person who was insured by the Maryland Automobile Insurance Fund (“MAIF”), an authorized insurer.

2. Respondent retained an attorney to represent him as a result of injuries received in the October 10, 2015 accident. On October 22, 2015, Respondent’s attorney sent a letter of representation to MAIF.

3. On February 4, 2016, Respondent’s attorney submitted a letter to MAIF requesting it pay Respondent for wages he lost (*inter alia*) as a result of the October 10, 2015, accident. The letter specified that Respondent was paid \$15.00 an hour, and missed 384 hours from work, totaling \$5,760.00 in lost wages. In addition, Respondent’s attorney provided MAIF with a, “Loss of Time from Employment Statement” (“Lost Time Statement”) purportedly signed by Respondent’s supervisor, which noted Respondent missed work from October 10,

2015 through December 17, 2015, his gross salary was \$15.00 an hour, and he worked 8 hours a day, 5 days a week.

4. On May 19, 2016, a MAIF claims adjuster contacted Respondent's employer and requested verification of Respondent's lost wages. The office manager advised that the Lost Time Statement was false, the pay rate was incorrect, and Respondent was a part-time employee, working 3 to 4 days a week. Additionally, the signature of Respondent's supervisor on the Lost Time Statement was spelled incorrectly.

5. On May 20, 2016, a MAIF claims adjuster notified Respondent's attorney of her findings regarding the Lost Time Statement. On May 31, 2016, Respondent's attorney submitted another letter to MAIF requesting it pay Respondent for wages he lost (*inter alia*) because of the October 10, 2015, accident. This time, the letter specified that Respondent was paid \$10.50 an hour, and missed 384 hours from work, totaling \$4,032.00 in lost wages.

6. MAIF denied Respondent's lost wages claim, as the Lost Time Statement submitted in support of the lost wages claim was false.

7. 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.

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

8. MIA confirmed MAIF's handling of the claim as set forth above.

9. On August 30, 2017, an MIA investigator interviewed the office manager for Respondent's employer and verified Respondent made \$10.50 an hour at the time his attorney

submitted the Lost Time Statement to MAIF, not \$15.00. Additionally, the supervisor's name, which appears on the Lost Time Statement, was misspelled. The office manager advised that Respondent was a part-time employee and worked an average of three days per week.

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 knowingly 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, Respondent committed a violation of the law when he submitted a false document to MAIF,

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

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

17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-2746A) and name (Alvonte Marquis Zellars). 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.

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 5th day of October 2017, **ORDERED** that:

Alvonte Marquis Zellars shall pay an administrative penalty of \$1,500.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:

signature on original

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.