

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

LAUREN DORSEY  
2454 Castleton Road  
Darlington, Maryland 21034

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2017-11-001  
Fraud Division File No.: R-2017-3892A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Lauren Dorsey (Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.)(“the Insurance Article”).

**I. Facts**

1. On May 24, 2017, an attorney contacted Allstate Insurance Company (“Allstate”), an authorized insurer, and advised that she was representing Respondent in a personal injury motor vehicle accident claim. She reported that a Dodge minivan insured by Allstate was being operated in the Weis supermarket (“Weis”) parking lot at 1080 Maiden Choice Lane, Baltimore, Maryland, 21227, when it struck Respondent’s Mitsubishi, SUV. Respondent was allegedly sitting in her vehicle and was injured as a result of the accident.

2. Allstate identified its policy holder, and on May 25, 2017, Allstate called him. The policy holder’s sister spoke with Allstate and explained that her brother is hearing impaired. Further, she confirmed that her brother was in an accident on May 23, 2017, in the Weis parking lot at 1080 Maiden Choice Lane, Baltimore, Maryland.

3. On May 30, 2017, Allstate policy holder’s independent insurance broker advised Allstate that the vehicle its policy holder struck was unoccupied at the time of the accident;

therefore, Respondent could not have been injured as she was not in the vehicle. Consequently, Allstate referred the matter to its Special Investigations Unit (“SIU”) for further investigation.

4. On June 6, 2017, an Allstate SIU investigator contacted Weis and requested a copy of video footage of Respondent’s accident. On June 23, 2017, Weis notified the Allstate investigator that it had the video footage but could release it only by subpoena.

5. On June 23, 2017, Allstate sent a letter to Respondent’s attorney advising, “There is no evidence to support that your client [Respondent] was in the vehicle at the time of impact. Therefore, we are denying your client’s bodily injury claim.”

6. 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.

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

7. MIA contacted Allstate and confirmed its handling of Respondent’s claim.

8. On October 12, 2017, MIA received a copy of the video footage from Weis. The video showed Respondent parking her vehicle and exiting it at 3:52:35 pm, prior to the accident. The Allstate policy holder struck Respondent’s vehicle at 4:04:22 pm. Respondent began to return to her vehicle at 4:15:08 pm. The video established undeniable evidence to conclude Respondent was not in her vehicle at the time of the accident. Therefore, assertions made by Respondent through her attorney that she was in her vehicle when it was struck and she was injured, were false.

## II. Violation(s)

9. 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:

10. § 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.

11. § 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.

12. By the conduct described herein, Respondent 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 law when she made a false statement through her attorney to Allstate. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

### **III. Sanctions**

13. 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.

14. Respondent's conduct was fraudulent for reporting she was an occupant at the time of the accident. 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.

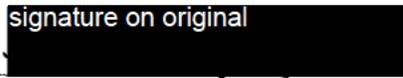
15. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-3892A) and name (Lauren Dorsey). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

16. 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 1<sup>st</sup> day of November, 2017, **ORDERED** that:

Lauren Dorsey 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.