

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

JAVONN BERNARD BRIGHT  
6539 Ridgeborne Drive  
Rosedale, Maryland 21237

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-04-036

Fraud Division File No.: R-2018-1802A

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**ORDER**

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

**I. Facts**

1. Respondent was insured under a homeowner’s insurance policy issued by Homesite Insurance Company (“Homesite”), an authorized insurer. The policy was in effect from May 27, 2017 through May 27, 2018.

2. Paragraph J, on page 23, of the policy under the heading Concealment or Fraud states:

We do not provide coverage to an “insured” who, whether before or after a loss, has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
- 2. Engaged in fraudulent conduct; or
- 3. Made false statements; relating to insurance.

3. On October 18, 2017, Respondent notified Homesite that someone broke into his car and stole, among other things, a Chanel handbag value at \$6,000.00.

4. On October 19, 2017, Homesite referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation due to Respondent's claim history.

5. On October 24, 2017, Respondent submitted to Homesite an inventory of items taken from his car. Among the items listed was a Chanel handbag valued at \$6,000.00.

6. On October 25, 2017, Respondent submitted a Neiman Marcus receipt to Homesite for the purchase of a \$6,000.00 Chanel handbag dated February 7, 2015. The receipt identified the purchaser as someone other than the Respondent, hereinafter referred to as A.J.

7. On November 20, 2017, Respondent submitted to Homesite a copy of the bank statement as evidence he purchased the Chanel handbag. The bank statement reflected a February 2, 2015, transaction for \$6,000.00. Several entries within the statement appeared to be redacted. In addition, the fonts for the \$6,000.00 transaction were inconsistent with the font type of other entries within the document. Additionally, the alleged transfer was made on February 2, 2015, prior to when the purse was purchased on February 7, 2015. Homesite subsequently requested that Respondent submit an un-redacted bank statement.

8. On December 1, 2017, Respondent submitted another bank statement to Homesite. A Homesite representative examined the bank statement and noted some information was still redacted, the balance calculation was incorrect, and there were formatting inconsistencies.

9. On December 4, 2017, Homesite sent Respondent a letter denying his claim as its review of the bank statement showed it had been altered.

10. 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.

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

11. On March 1, 2018, an MIA investigator contacted Homesite and confirmed its handling of Respondent's claim.

12. On March 5, 2018, an MIA investigator examined the bank statement submitted to Homesite by Respondent, as evidence he owned the Chanel handbag. The investigator confirmed inconsistencies in the font type and account balance.

13. On April 3, 2018, an MIA investigator interviewed the wife of A.J., whose name appeared on the Neiman Marcus receipt submitted to Homesite by Respondent, she stated that neither she nor her husband know Respondent. Her husband purchased that Chanel handbag for her. She owned it for over a year and gifted it, along with the receipt to a friend.

14. On April 5, 2018, an MIA investigator interviewed Respondent who confessed that the Chanel handbag was not stolen in the theft. Respondent admitted that he altered the bank statement, which he submitted to Homesite in support of his claim.

## **II. Violation(s)**

15. 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:

16. § 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[.]

17. § 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.

18. By the conduct described herein, Respondent knowingly violated § 27-403, because the fraudulent insurance act of submitting a false document and making a false statement in support of a claim is complete upon submitting the false document and making the false statements and is not dependent on payment being made. Respondent committed a violation of the Insurance Article when he submitted a false document and made a false statement to Homesite in support of his claim. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

### III. Sanctions

19. 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.

20. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA has determined that \$1,000.00 is an appropriate penalty.

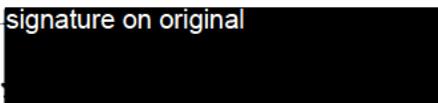
21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-1802A) and name (JaVonn Bernard Bright). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

22. 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 25<sup>th</sup> day of April 2018, **ORDERED** that:

~~JaVonn Bernard Bright shall pay an administrative penalty of one thousand dollars (\$1,000.00) 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.