

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

BRIONNA JASMINE HARGROVE
2322 Anoka Avenue
Baltimore, Maryland 21215

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-208-07-003
Fraud Division File No.: R-2018-2912A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Brionna Jasmine Hargrove (“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 had automobile insurance for her 2012 Honda with Progressive Group of Insurance Companies (“Progressive”), an authorized insurer. The policy was in effect from February 19, 2018 through August 19, 2018.

2. Respondent’s application agreement with Progressive stated,
Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit...is guilty of a crime and may be subject to fines or imprisonment.

3. On February 27, 2018, eight days following the effective date of the policy, Respondent notified Progressive that she was operating her insured Honda when she struck an object on the roadway. The oil-pan was damaged, and her vehicle would not start.

4. On March 2, 2018, Progressive referred Respondent’s claim to its Special Investigations Unit (“SIU”). A Progressive representative noted that Respondent filed her claim with Progressive within eight days of the policy effective date. An Insurance Services Office

("ISO") search revealed Respondent filed a similar claim with Elephant Insurance Company ("Elephant") on February 18, 2018, one day prior to the effective date of her insurance policy with Progressive.

5. On March 2, 2018, at 8:51 AM, Respondent provided a recorded statement to Progressive, in which she stated that on February 27, 2018, she was operating her insured Honda when she struck an object in the roadway and damaged the oil pan causing the engine to seize. Respondent advised that her vehicle was towed to a Car Care Center ("CCC") on Baltimore National Pike. Respondent reported that her vehicle had no prior damage and she agreed to provide Progressive with a copy of her February 27, 2018, tow receipt.

6. On March 2, 2018, at about 1:40 PM, Respondent submitted to Progressive a tow receipt reflecting her insured Honda was towed on February 28, 2018, to the CCC.

7. On March 2, 2018, at 4:22 PM, a Progressive representative spoke to a representative with Elephant who confirmed that on February 18, 2018, Respondent made a claim to Elephant for the same damages she was claiming to Progressive.

8. On March 2, 2018, at 5:18 PM, a Progressive investigator spoke to a representative from the CCC, who reported that Respondent's insured vehicle had been at the facility since February 18, 2018.

9. On March 5, 2018 at 5:35 PM, a Progressive investigator contacted Respondent and conducted a recorded interview. Respondent reiterated that on "February 24th or 27th or the 28th," 2018, she was operating her insured vehicle when she struck an object in the roadway, the engine shut off; the vehicle was towed to the CCC. The investigator confronted Respondent with the following information: 1) her vehicle was damaged prior to the effective date of the

Progressive policy; 2) her vehicle had been at the CCC since February 18, 2018; and 3) she made a similar claim to Elephant. Respondent adamantly refuted the investigator's assertions.

10. On March 6, 2018, Elephant provided Progressive with a repair estimate, photographs, and tow receipt related to Respondent's February 18, 2018, claim. The tow receipt reflected on February 18, 2018, Respondent's Honda was towed to the CCC. The repair estimate and photographs depicted the same damage as in Respondent's February 27, 2018, claim to Progressive.

11. On May 29, 2018, Progressive sent Respondent a letter denying her claim for "Fraud or Misrepresentation."

12. 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.

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

13. During the course of its investigation, the MIA contacted Progressive and confirmed its handling of the Respondent's claim.

14. On May 14, 2018, an MIA investigator interviewed the owner of the tow company identified on the tow receipt Respondent submitted to Progressive. He stated Respondent's Honda was towed by his company on February 18, 2018, to the CCC on Baltimore National Pike. Respondent called him on March 2, 2018, and requested another tow receipt, advising she lost her original receipt. Respondent requested the date on the new receipt reflect February 28, 2018, which he did. He then emailed the second receipt to Respondent. The owner

provided the MIA investigator with a copy of the email and receipt he sent to Respondent on March 2, 2018.

15. On May 14, 2018, an MIA investigator interviewed a mechanic at the CCC. The mechanic confirmed Respondent's Honda had been at the CCC on Baltimore National Pike since February 18, 2018. Further, Respondent advised the mechanic that she had two insurance companies and one of them would pay for repairs.

II. Violation(s)

16. 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:

17. **§ 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[.]

18. **§ 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.

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 \$1,500.00 is an appropriate penalty.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-2912A) and name (Brionna Jasmine Hargrove). 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 3rd day of July 2018, **ORDERED** that:

Brionna Jasmine Hargrove shall pay an administrative penalty of one thousand five hundred dollars (\$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.