

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

IDRISS KAMARA
3507 Sharonwood Road, Apt. 2A
Laurel, Maryland 20724

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-01-026
Fraud Division File No.: R-2018-3123A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Idriss Kamara (“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 his 2006 Hummer H3 with Allstate Insurance Company (“Allstate”), an authorized insurer. The policy was in effect from September 28, 2017 through March 28, 2018, and had a \$500.00 deductible.
2. On February 21, 2018, Respondent notified Allstate that, due to an engine problem, his vehicle caught fire and burned. Allstate opened a claim.
3. On February 22, 2018, Respondent reported to Allstate that on February 21, 2018, he was operating his insured vehicle in Fairfax, Virginia, when the engine caught fire. Respondent advised he purchased the insured vehicle new and it currently had 87,000 miles on it.
4. On February 26, 2018, Allstate completed a Market Valuation Report (“MVR”), to determine the value of Respondent’s insured vehicle at the time of loss. Relying on information provided by Respondent, specifically, that his insured vehicle had 87,000 miles on

it, Allstate concluded the insured vehicle was valued at \$14,345.80, which included a vehicle mileage allowance increase of \$2,158.00. The report specifically noted that Respondent's vehicle had, "...39% fewer than average mileage of 143,800." Consequently, on February 28, 2018, Allstate issued Respondent a check for \$13,845.80, which was less his \$500.00 deductible.

5. On February 28, 2018, an Allstate representative examined Respondent's personal property claim and noted that, among other things, Respondent added multiple items after the initial claim, "without a reasonable explanation." Consequently, Respondent's claim was referred to Allstate's Special Investigations Unit ("SIU"), for further investigation.

6. On March 8, 2018, an Allstate Investigator examined a Carfax report for Respondent's insured vehicle, and learned the last reported mileage on March 10, 2016, was 155,759. Further, the vehicle had been serviced at an automobile service center ("ASC") on January 10, 2018, 42 days prior to Respondent's claim. The investigator contacted the ASC and discovered the mileage on Respondent's vehicle on January 10, 2018, was 181,422.

7. On March 9, 2018, an Allstate investigator conducted a recorded interview of Respondent who stated his vehicle was last serviced in late December, and it had 85,000 or 86,000 miles on it, at that time.

8. On March 21, 2018, an Allstate representative completed an updated MVR, using the actual mileage of 181,422 as reported in a January 10, 2018, service record and concluded the insured vehicle was actually valued at \$10,845.68, not \$14,345.80. The updated MVR noted the insured vehicle had, "...26% greater than average mileage of 143,800." Decreasing its value by \$1,144.00, due to mileage.

9. Allstate sent Respondent a letter dated March 21, 2018, which stated,

“Your policy does not cover any claim in which there is a misrepresentation or concealment. At this time, we are making a formal demand for the amount that your misrepresentation effected this claim.”

10. On April 2, 2018, an Allstate investigator advised Respondent that she discovered he had misrepresented the mileage on his insured vehicle, which resulted in an overpayment. Respondent refused to cooperate.

11. On April 5, 2018, Allstate sent Respondent a letter denying his claim as he refused to provide a sworn statement in proof of loss, authorization form, photographs, and other documents as requested. The letter included the following statement in bold type:

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

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.”

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

14. On June 13, 2018, an MIA investigator contacted the ASC and confirmed Respondent brought his Hummer H3 in for service on January 10, 2018, and the mileage was 181,422.

15. On June 29, 2018, an MIA Investigator contacted the Maryland Department of Transportation and obtained copies of Respondent's emission results reports for October 20, 2014 and July 19, 2016. The emissions reports confirmed the mileage on Respondent's Hummer H3 exceeded 100,000 miles on both occasions.

16. On July 11, 2018, an MIA investigator contacted the service manager of Capitol Cadillac and obtained a copy of the service receipt for Respondent's 2006 Hummer H3 dated March 9, 2016. The service receipt listed the vehicle's mileage as 155,759 and the document contains Respondent's signature.

II. Violation(s)

17. 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:

18. § 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.

19. § 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.

20. 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

21. 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.

22. 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.

23. Additionally, Respondent is ordered to reimburse Allstate in the amount of \$3,500.12, which was the amount he fraudulently obtained from Allstate when reporting his vehicle mileage as 87,000 when the actual mileage exceeded 181,000 miles.

24. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-3123A) and name (Idriss Kamara). 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.

25. Notification of reimbursement to Allstate shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such Notification shall include a copy of the money order or cancelled check issued to Allstate as proof of reimbursement and identify the case by number (R-2018-3123A) and name (Idriss Kamara).

26. 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 18th day of July 2018, **ORDERED** that:

(1) Idriss Kamara shall pay an administrative penalty of one thousand five hundred dollars (\$1,500.00) within 30 days of the date of this Order.

(2) Idriss Kamara shall pay restitution to Allstate in the amount of three thousand five hundred dollars and twelve cents (\$3,500.12) 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