

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

GABRIEL MANTILLA
3005 Leisure World Blvd. Apt 205
Silver Spring, Maryland 20906

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-08-012
Fraud Division File No.: R-2018-2000A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Gabriel Mantilla (“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 condominium insurance with American Bankers Insurance Company of Florida (“Assurant”), an authorized insurer, for his residence at 3005 Leisure World Blvd, Apt. 205 Silver Spring, Maryland 20906. The Policy was in effect from October 31, 2016 through October 31, 2017.

2. On November 3, 2017, Respondent made two claims to Assurant under his condominium insurance policy. In the First Claim Respondent notified Assurant that on October 20, 2017, while he was vacationing on the Caribbean island of Domenica, personal property, including clothing and hearing aids were damaged in a “windstorm.” In the Second Claim, Respondent reported that his hearing aids were lost (as opposed to damaged). Consequently, Assurant referred Respondent’s claims to its Special Investigations Unit (“SIU”) for further investigation.

3. On November 6, 2017, Respondent advised Assurant that on October 20, 2017, while vacationing, looters at the hotel stole his property. Assurant closed one of Respondent's claim as a duplicate claim.

4. On November 22, 2017, Respondent submitted a letter to Assurant dated October 20, 2017, purportedly from the Cuerpo de Bomberos Municipal de Sosua Fire and Police Chief in the Dominican Republic not the island of Domenica,, which stated:

This letter serves to inform the Emergency Group, Police Department and Civil Defence Authorities that it became necessary to evaluate [sic] tourists and visitors to a more secure and safe area after the damage, fires and some looting that occurred in the hotels and motels close to our shores.

Mr. Gabriel Mantilla, a U.S. Citizen visiting the Dominican Republic, sustained the loss of personal belongings...

The Assurant investigator noted the letter was dated the same date as the reported loss and contained a misspelled word, "evaluate" instead of. "evacuate."

5. On November 21 and 28, 2017, Respondent submitted a second letter to Assurant dated October 30, 2017, purportedly from the same Fire and Police Chief, which stated:

...During a temporary stop of the heavy rains and treacherous winds, people returned to their quarters and found that their personal belongings had disappeared due to looting and theft by natives, which we could not control.

* * * *

Mr. Gabriel Mantilla, a U.S. missionary volunteer, lost his personal property.

6. On November 28, 2017, Respondent submitted a letter to Assurant dated November 8, 2017, purportedly from an audiology practice in Los Angeles, California, ostensibly signed by an audiologist. The letter noted the total hearing aid replacement cost was \$7,000.00 and stated:

...[t]he replacement cost of the hearing aids that had been lost in the recent event in the Caribbean, theft and looting that took place after Hurricane Marie, I am to report that the hearing aids were not covered by the manufacturer. There is a fee of #3,500.00 [sic] for each hearing aid since such a loss happened overseas.

7. On November 28, 2017, Respondent submitted an undated letter to Assurant purportedly from a "Dominica Caribbean Resort" hotel; the letter identified Respondent as a guest and stated:

...We would also like to congratulate you for the excellent behavior during your stay. You are very welcome whenever you wish to come back to the Island of Dominica, once we are back on our feet from the fire, theft and looting that occurred on October 19, 2017.

8. On December 5, 2017, an Assurant investigator contacted the audiology practice named in the letter submitted by Respondent to confirm the hearing aids replacement cost. A representative of the audiology practice confirmed sending Respondent a replacement cost quote, but stated that the quote was \$350.00 for each hearing aid, not \$3,500.00 each, as claimed by Respondent.

9. On December 6, 2017, an Assurant representative interviewed Respondent, who named the Caribbean hotel where he stayed when his property was purportedly stolen. He identified the hotel manager by name and provided a phone number. Respondent added that the hotel burned down and no longer existed.

10. On December 7, 2017, an Assurant investigator called the hotel identified by Respondent and confirmed Respondent's stay. This hotel is in the Dominican Republic, not on the island of Domenica, referenced in Respondent's claims dated November 3, 2017. The hotel representative advised that Respondent did not report a loss during his stay, the hotel was not affected by Hurricane Maria and the hotel has remained open for business.

11. On December 20, 2017, the SIU investigator conducted a recorded interview with Respondent wherein he stated, while staying at a Caribbean hotel, his personal property was stolen during theft and vandalism incidents subsequent to Hurricane Maria.

12. On January 3, 2018, Assurant sent Respondent a letter denying his claim due to the evidence of material misrepresentations.

13. 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.

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

14. In the course of its investigation, MIA contacted Assurant and confirmed its handling of Respondent's claim.

15. On June 26, 2018, an MIA Fraud investigator contacted the audiology practice named in the letter submitted to Assurant by Respondent. A representative advised that the aforesaid letter was false. Further, the audiology practice does not have an office in California, the name of the audiologist whose signature appears on the letter has never been employed by the practice and the actual replacement cost of Respondent's hearing aids was \$350.00 each, not \$3,500.00.

16. On July 24, 2018, an MIA investigator contacted the hotel named in the undated letter Respondent submitted to Assurant on November 28, 2017 (referenced in ¶ 7 above).. The hotel's security department advised that its hotel brand does not have properties on the island of Dominica, contrary to the letterhead stating "Domenica Caribbean Resort." The hotel brand is instead located in the Dominican Republic. In addition,, Respondent had not been a registered guest at that property. Further, while Hurricane Maria did bring heavy rains to the Dominican Republic, there were no reports of theft, fire or looting.

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. Because the fraudulent insurance act of making a false statement or submitting a false document in support of a claim is complete upon making the false statement or submitting the false document and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when he made false statements and submitted false documents to Assurant. 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, MIA has determined that \$3,000.00 is an appropriate penalty.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-2000A) and name (Gabriel Mantilla). 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.

24. 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 14th day of August 2018, **ORDERED** that:

Gabriel Mantilla shall pay an administrative penalty of Three Thousand Dollars (\$3,000.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner
signature on original

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.