

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

STACY D. MACK  
2816 W. Garrison Avenue  
Baltimore, Maryland 21215

And

OMARI REGINALD BIGGS  
2816 W. Garrison Avenue  
Baltimore, Maryland 21215

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-08-016

CASE NO. : MIA-2018-08-017

Fraud Division File No.: R-2018-3046A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Stacy D. Mack (“Mack”) and Omari Reginald Biggs (“Biggs”) (collectively “Respondents”) 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 Mack had automobile insurance with Nationwide Mutual Insurance Company (“Nationwide”), an authorized insurer. The policy was in effect from August 13, 2017 to February 13, 2018, and specifically noted that Respondent Biggs was an excluded driver. Further, Mack signed an authorization to exclude a driver, which stated:

**With my authorization, Nationwide Insurance has agreed to issue or continue coverage under the policy number listed below, provided that coverage is excluded while: Omari Biggs [Respondent] is operating any of the vehicles to which the policy applies. I understand that this exclusion will apply to any subsequent transfer, reinstatement, or renewal of this policy. My signature below acknowledges my acceptance of the exclusion, and authorizes Nationwide Insurance to issue appropriate endorsement to this policy.**

2. On January 26, 2018, Respondent Mack signed a Rental Agreement Summary with Enterprise RAC Company of Baltimore, LLC, which stated in bold typeface:

**“No Additional Drivers are authorized to drive the vehicle with the exception of the drivers listed below.”**

No additional drivers were listed on the agreement.

3. On February 11, 2018, Respondent Mack notified Nationwide that on February 10, 2018, she was operating a rental vehicle when a deer entered the roadway causing her to strike a parked vehicle. Mack stated that Biggs was her passenger at the time of the accident.

4. On February 12, 2018, a Nationwide representative conducted a recorded interview with Respondent Mack, who stated that on February 10, 2018, she was driving a rental vehicle and her son, Respondent Biggs, was her passenger. She struck a deer as well as a parked vehicle. Mack advised Nationwide, she was shaken up but ok; Biggs was injured and taken to a hospital. A Baltimore City police officer came to the accident location. Mack provided a police report number.

5. On February 14, 2018, a Nationwide representative conducted a recorded interview with Respondent Biggs. He reiterated that on February 10, 2018, he was the passenger in Mack’s rental vehicle. Mack struck a deer, and a parked vehicle. Biggs advised Nationwide he was injured and transported to a hospital.

6. On February 20, 2018, a Nationwide representative requested that a vehicle damage appraiser inspect Respondent Mack’s rental vehicle, as the “fact pattern is extremely unusual,” and may require referral to Nationwide’s Special Investigations Unit (“SIU”).

7. On February 20, 2018, a Nationwide vehicle damage appraiser inspected Respondent’s rental vehicle and noted he did not see deer hair and was “not sure exactly how the loss had occurred.” Consequently, the matter was referred to Nationwide’s SIU.

8. On February 28, 2018, a Nationwide investigator interviewed the police officer who investigated the accident. The officer said Biggs was operating the vehicle at the time of the February 10, 2018 accident; there were no passengers.

9. On March 13, 2018, a Nationwide investigator received a copy of the February 10, 2018, motor vehicle accident report which stated, Biggs was operating the rental vehicle when a deer “ran across his vehicle,” causing him to lose control and strike a parked vehicle. Biggs was injured and transported to a hospital.

10. On March 14, 2018, Nationwide denied Respondent’s claim as “the excluded driver [Biggs] was operating the rental car when the accident occurred.”

11. 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.

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

12. In the course of its investigation, the MIA contacted Nationwide and confirmed its handling of Respondents’ claim.

13. On July 17, 2018, an MIA investigator interviewed the police officer who authored the February 10, 2018 accident report. He confirmed the details of the report and said Biggs admitted he was driving at the time of the accident. Further, there were no passengers.

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

14. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondents violated Maryland’s insurance laws:

15. § 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[.]

16. § 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.

17. By the conduct described herein, Respondents 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, Respondents committed a violation of the Insurance Article when they made false statements to Nationwide. As such, Respondents are subject to an administrative penalty under the Insurance Article § 27-408(c).

**III. Sanctions**

18. 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 that a fraudulent claim has been submitted to an insurer. Insurance Article §§ 2-201(d) (1) and 2-405.

19. 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 for each Respondent.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and identify the case by number (R-2018-3046A) and individual names (Stacy D. Mack), (Omari Reginald Biggs). 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.

21. This Order does not preclude any potential or pending action by any other person, entity, or government authority regarding any conduct by Respondents, 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 14<sup>th</sup> day of August 2018, **ORDERED** that:

- (1) Stacy D. Mack shall pay an administrative penalty of one-thousand five hundred dollars (\$1,500.00) within 30 days of the date of this Order.
- (2) Omari Reginald Biggs 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

signature on original

BY: \_\_\_\_\_

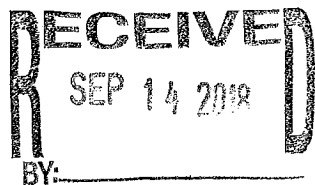
STEVE WRIGHT  
Associate Commissioner  
Insurance Fraud Division

### **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 Respondents in a Final Order after hearing.

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-08-016

Fraud Division File No.: R-2018-3046A

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CONSENT ORDER

This Consent Order (“Order”) is entered by the Maryland Insurance Administration (“MIA”) against Stacy D. Mack (“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”), to resolve the matter before the Insurance Administration (“Administration”).

EXPLANATORY STATEMENT AND FINDINGS OF FACT

1. The Administration issued an Order against Respondent on August 14, 2018. In the Order, Respondent was found to have violated § 27-403 of the Insurance Article.
2. Respondent does not contest the allegations in the Order.
3. The facts and violations stated in the Order are incorporated herein by reference.

WHEREFORE, for the reasons set forth above, and by agreement of the parties, it is this 17<sup>th</sup> day of September 2018, hereby **ORDERED** by the Commissioner and consented to by the Respondent that:

A. Stacy D. Mack shall pay the administrative penalty in the amount of one-thousand five hundred dollars, (\$1,500.00) as follows:

- i. \$500.00 shall be paid by Respondent upon execution of the Consent Order and sent to the Administration no later than September 28, 2018;
- ii. \$500.00 due by October 25, 2018; and
- iii. \$500.00 due by November 22, 2018.

B. Failure to pay as outlined in paragraph A, above constitutes a default. Notice of Default is hereby waived by Respondent. Respondent agrees to pay the balance within 30 days of default, the balance will be sent to the Central Collections Unit of the Department of Budget and Management for collection.

C. The executed Consent Order and penalties shall be sent to the Maryland Insurance Administration to the attention of Steve Wright, Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Baltimore, MD 21202 and shall identify the case by number (MIA-2018-08-016) and name (Stacy D. Mack).

D. Respondent waives any and all rights to any hearing or judicial review of this Consent Order to which he would otherwise be entitled under the Maryland Annotated Code.

E. Respondent has reviewed this Consent Order and has had the opportunity to have it reviewed by legal counsel of his choice. After careful consideration, Respondent executes this Consent Order knowingly and voluntarily.

F. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Consent Order will be kept and maintained in the regular course of business by the Administration. For



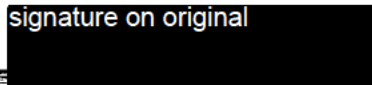

the purposes of the business of the Administration, the records and publications of the Administration will reflect the August 14, 2018, Order as well as this Consent Order.

G. This Consent Order does not preclude any potential action by the Administration, any other person, entity, or governmental authority regarding any conduct by Respondent, including the conduct that is subject of this Consent Order.

H. This Consent Order shall be effective upon signing by the Commissioner or his designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

I. Failure to comply with the terms of this Consent Order may subject Respondent to further legal and/or administrative action for the further enforcement of this Order. This Consent Order contains the **ENTIRE AGREEMENT** between the parties relating to the administrative actions addressed herein except as to the payment of penalty amount as cited in paragraph A of the Wherefore clause. This Consent Order supersedes the Order dated August 14, 2018, except as specifically indicated. All time frames set forth in this Consent Order may be amended or modified only by subsequent written agreement of the parties.

ALFRED W. REDMER, JR.  
Insurance Commissioner

BY:  signature on original  
STEVE WRIGHT   
Associate Commissioner  
Insurance Fraud Division

STACY D. MACK'S CONSENT

STACY D. MACK hereby CONSENTS to the representations made in, and terms of this

Consent Order.

8/31/18

Date

signature on original

Stacy D. Mack