

(2) invoice dated November 27, 2017, for the purchase of a car stereo system for \$1,002.76.

Respondent advised Liberty that she had the stereo system installed in her vehicle prior to its theft.

5. On April 9, 2018, in an effort to authenticate the car stereo invoice, a Liberty investigator interviewed a representative for the retailer identified on the invoice. The representative examined the invoice and advised that it was fraudulent.

6. On May 3, 2018, a Liberty investigator found Respondent's insured vehicle, 1.7 miles from the location where it was purportedly stolen. A police officer with the Prince George's County Police Department recovered the vehicle. The Liberty investigator advised Respondent that her vehicle was intact and not damaged.

7. On May 3, 2018, Liberty sent Respondent a letter denying her claim as its investigation revealed that Respondent made material misrepresentations in regards to the car stereo invoice.

8. 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.

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

9. On August 10, 2018, an MIA investigator interviewed the owner of the retail establishment identified on the car stereo invoice Respondent submitted to Liberty. The owner advised that the invoice was not authentic and that his company did not perform any work on Respondent's vehicle.

II. Violation(s)

10. 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:

11. § 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[.]

12. § 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.

13. By the conduct described herein, Respondent knowingly violated § 27-403. A fraudulent insurance act of submitting false documents in support of a claim is complete upon submission of the false documents and is not dependent on payment being made. Respondent committed a violation of the Insurance Article when she submitted the false document to Liberty in support of her claim. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

14. 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.

15. The MIA having considered the factors set forth in § 27-408(c)(2), has determined that \$1,500.00 is an appropriate penalty in this case.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-3702A) and name (Tiria Payne). 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.

17. 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 28th day of September 2018, **ORDERED** that:

Tiria Payne shall pay an administrative penalty of one thousand five hundred (\$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.