

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

ERIKA LE TRICE CRAWFORD
9379 Washington Avenue
Laurel, Maryland 20723

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-03-021
Fraud Division File No.: R-2019-1443A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Erika Le Trice Crawford (“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. On October 11, 2018, at 5:59 p.m., Respondent contacted the Government Employees Insurance Company (“GEICO”) an authorized insurer, to obtain automobile insurance coverage for her BMW. At that time, GEICO declined to offer automobile insurance to Respondent as her credit card was declined, and she was unable to make the initial premium payment.

2. On October 13, 2018, Respondent again contacted GEICO and this time, she obtained automobile insurance for her BMW. The policy went into effect on October 13, 2018.

3. On October 15, 2018, Respondent notified GEICO that earlier the same day, she was operating her insured BMW when she was struck by someone operating a 2004 Honda. GEICO opened a claim.

4. On October 18, 2018, GEICO assigned Respondent’s claim to its Special Investigation Unit (“SIU”), to verify the date of loss, as Respondent’s automobile insurance

policy was less than four days old. The GEICO investigator interviewed the operator of the 2004 Honda. He confirmed having an accident with Respondent at 6:45 a.m. on October 11, 2018, not October 15, 2018, as Respondent reported to GEICO.

5. On October 18, 2018, Respondent called GEICO and requested a rental car. GEICO denied Respondent's request until it could verify the date of the accident.

6. On October 22, 2018, a GEICO investigator conducted a database search and discovered Respondent's BMW was involved in an accident on October 11, 2018, with a vehicle insured by the Maryland Automobile Insurance Fund ("MAIF"), an authorized insurer. The investigator called MAIF and learned that Respondent reported to MAIF that she was involved in an accident on October 11, 2018, with a 2004 Honda being operated by one of its insured drivers.

7. On October 23, 2018, Respondent submitted her mobile telephone records to GEICO. A GEICO investigator examined Respondent's call log and noted that she made an outgoing phone call to MAIF on October 11, 2018, at 2:05 p.m.

8. On October 23, 2018, a GEICO investigator conducted a recorded interview with Respondent who reported, the accident occurred on October 15, 2018.

9. On October 25, 2018, GEICO sent Respondent a letter denying her claim as its investigation determined the accident occurred on October 11, 2018, before she obtained automobile insurance with GEICO.

10. 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.

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

11. During its investigation, the MIA contacted GEICO and confirmed the facts regarding its handling of the Respondent's claim.

12. On February 27, 2019, the MIA obtained a copy of the October 11, 2018 MAIF claim file, which confirmed that Respondent was involved in an accident on October 11, 2018, at 6:45 a.m., with another person insured under a MAIF insurance policy. A comparison of photographs taken after the October 11, 2018 accident with photographs of the damage Respondent alleged occurred because of an October 15, 2018 accident revealed the damage was the same.

13. On February 28, 2019, an MIA investigator interviewed the person insured under the MAIF insurance policy who struck Respondent's BMW. He confirmed that the accident with Respondent occurred at 6:45 a.m. on October 11, 2018, not October 15, 2018, as Respondent reported to GEICO.

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 the Respondent 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, Respondent knowingly violated § 27-403. 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. Respondent committed a violation of the Insurance Article when she made a false statement to GEICO. As such, Respondent is, therefore, subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

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

19. By the conduct described herein, Respondent violated § 27-403 and is subject to the imposition of an administrative penalty under the Insurance Article.

20. Having considered the factors set forth in § 27-408(c)(2), 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-2019-1443A) and name (Erika Le Trice

Crawford). 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. Unpaid penalties will be referred to the Central Collections Unit for collection.

21. 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 15th day of March 2019, **ORDERED** that:

Erika LeTrice Crawford 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: Melanie Gross, Executive Assistant to the Deputy Commissioner. 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.