

IN THE MATTER OF THE

MARYLAND INSURANCE
ADMINISTRATION

v.

JOHN DERRICK FLAMER
7415 Quixote Court
Bowie, Maryland 20720

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BEFORE THE MARYLAND

INSURANCE COMMISSIONER

CASE NO. : MIA- 2019 - 06 - 005

Fraud Division File No.: R-2019-1378A

CONSENT ORDER

This Consent Order (“Order”) is entered by the Maryland Insurance Commissioner and John Derrick Flamer (“Respondent”) pursuant to §§ 2-108, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the “Insurance Article”), to resolve the matter before the Maryland Insurance Administration (“MIA”).

I. Explanatory Statement & Findings of Fact

1. Respondent was a named insured on an automobile insurance policy issued by the Government Employees Insurance Company (“GEICO”) an authorized insurer, for his 2007 Nissan. The policy was effective from July 2, 2018 to January 2, 2019.

2. On October 5, 2018, Respondent notified GEICO that his insured vehicle was parked and unoccupied when it was struck and damaged by an unknown person. GEICO opened a claim, performed a repair estimate, and issued Respondent a check for \$1,626.79 to repair his vehicle. GEICO also provided Respondent with a rental car for which it paid \$189.65, for a total claim value of \$1,816.44.

3. On October 11, 2018, a police officer with the U.S. Park Police notified GEICO that Respondent was involved in a motor vehicle accident on October 4, 2018, after which, Respondent fled the scene.

4. On October 12, 2018, GEICO referred Respondent's claim to its Special Investigation Unit ("SIU") for further investigation.

5. On October 16, 2018, Respondent admitted to GEICO that he lied about his vehicle being struck while parked and unattended and confessed that he had an accident on October 4, 2018, after which he fled. Respondent subsequently entered into an agreement to reimburse GEICO the \$1,816.44 it paid for the damage repairs and rental car.

6. 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.

7. The MIA contacted GEICO and confirmed the facts regarding its handling of Respondent's claim, as well as the fact that Respondent entered into an agreement to make restitution, which Respondent has honored, to date.

8. On March 25, 2019, Respondent confessed to an MIA investigator that he lied to GEICO when he stated that his car was damaged while parked and unattended and that he actually had an accident on October 4, 2018, and left the scene. Respondent confirmed he has been making restitution payments to GEICO.

9. The parties agree to this Consent Order to avoid litigation. Respondent admitted to violating the Insurance Article when he lied to GEICO. Respondent agrees to pay an administrative penalty as set forth below.

II. Provisions of Law

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)

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. Respondent committed a violation of § 27-403 of the Insurance Article when he made false statements to GEICO. As such Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

ORDER

WHEREFORE, for the reasons set forth above, it is this 4th day of June, 2019,

ORDERED by the Commissioner and consented to by Respondent, that:

- A. Respondent shall pay an administrative penalty in the amount of \$500.00 contemporaneously with Respondent's execution of this Order.

Other Provisions

- B. The executed Consent Order and each penalty payment shall be sent to the attention of: Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202 and shall identify the case by number (R-2019-1378A) and name (John Derrick Flamer).
- C. Respondent agrees to repay \$1,816.44; the amount he fraudulently obtained from GEICO. Respondent will continue to make restitution payments to GEICO as set forth within the agreement established between Respondent and GEICO until full restitution is made.
- D. For the purposes of the MIA 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 the 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 MIA, the records and publications of the MIA will reflect this Consent Order.
- E. 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.

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- F. This Consent Order does not preclude any potential action by the MIA, any other person, entity, or governmental authority regarding any conduct by Respondent, including the conduct that is the subject of this Consent Order.
- G. Respondent has had the opportunity to have this Order reviewed by legal counsel of his choosing, and is aware of the benefits gained and obligations incurred by the execution of the Order. Respondent waives any and all rights to any hearing or judicial review of this Order to which he would otherwise be entitled under the Insurance Article with respect to any of the determinations made by this Order.
- H. This Order contains the entire agreement between the parties relating to the administrative actions addressed herein. No time frames set forth herein may be amended or modified without subsequent written agreement of the parties.
- I. Failure to comply with the terms of this Order may subject Respondent to further legal and/or administrative action.

ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER

By: signature on original
STEVE WRIGHT
Associate Commissioner
Fraud Division

JOHN DERRICK FLAMER'S CONSENT

John Derrick Flamer hereby CONSENTS to the representations made in, and terms of, the above Consent Order.

5/28/2019
Date

signature on original
John Derrick Flamer

Maryland Insurance Administration

MAY 31 2019

RECEIVED