

3. On December 22, 2018, Respondent notified Brethren, on a recorded phone line, through Crawford & Company (“Crawford”), a claims reporting service, that on December 20, 2018, he was operating his insured vehicle when he had an automobile accident. Respondent advised that he was driving the insured vehicle, and his son, M.C. was his passenger. A police officer came to the location of the accident. Crawford assigned a claim number.

4. On December 27, 2018, an insurance agent for the operator of the vehicle struck by Respondent’s vehicle on December 20, 2018, notified Brethren that she obtained a copy of the police accident report, which reflected M.C. was driving at the time of the accident. The driver’s license number on the accident report matched that of M.C., an excluded driver. Subsequently, Brethren contacted Respondent who again stated that he was driving, not M.C.

5. On December 28, 2018, the operator of the vehicle struck by Respondent’s vehicle advised Brethren that following the accident, he identified M.C. as the operator of Respondent’s vehicle; Respondent arrived after the accident. On the same date, Respondent contacted Brethren, “insisting” he was driving.

6. On January 9, 2019, Brethren sent a denial letter to the operator of the vehicle struck by Respondent’s vehicle on December 20, 2018, as it determined that the driver of the Brethren insured vehicle was an excluded driver.

7. On February 27, 2019, a Brethren investigator examined the body-worn camera footage of the police officer who was at the location of the December 20, 2019 accident involving Respondent’s vehicle. The video confirmed M.C., an excluded driver was operating Respondent’s insured vehicle at the time of the accident, not the Respondent.

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.

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

9. During the course of its investigation, the MIA contacted Brethren and confirmed the facts regarding its handling of the Respondent's claim.

10. An MIA investigator examined the body-worn camera footage of the police officer who was at the location of December 20, 2018 accident involving Respondent's vehicle. Video footage confirmed that upon the police officer's arrival, he was met by "M.C." who reported that he was operating the vehicle. Respondent arrived later, approached the officer and introduced himself as "M.C.'s" father.

11. An MIA investigator examined the police accident report related to the December 20, 2018 accident involving Respondent's vehicle. The report reflected that M.C., an excluded driver, was operating Respondent's vehicle at the time of the accident.

II. Violation(s)

12. Based on the foregoing and considering all relevant sections of the Insurance Article, the Administration finds that Respondent violated the Maryland Insurance Article as follows:

13. § 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[.]

14. § 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.

15. 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 he made a false statement to Brethren. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

16. 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.

17. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that, \$1,500.00 is an appropriate penalty in the instant matter.

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-3077A) and name (Bernard Carr). 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.

19. 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 2nd day of July 2019, **ORDERED** that:

Bernard Francis Carr 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 Respondent in a Final Order after hearing.