

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

WILLIAM TANKERSLEY, JR.
103 Pigpen Point Road
Queenstown, Maryland 21658

* BEFORE THE MARYLAND
*
* INSURANCE COMMISSIONER
*
*

CASE NO. : MIA-2019-07-004

Fraud Division File No.: R-2019-1671A

ORDER

This Order is entered by the Maryland Insurance Administration (the "MIA") against William Tankersley, Jr. ("Respondent") pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.)(the "Insurance Article").

I. Facts

1. Respondent was a named insured on a homeowner's insurance policy issued by Allstate Insurance Company ("Allstate"), an authorized insurer, for his residence located in Queens Annes County, Maryland. The policy was in effect from July 19, 2017 to July 19, 2018.

2. On March 30, 2018, Respondent notified Allstate that on March 28, 2018, the roof and siding of his insured home was damaged due to a hailstorm. Allstate opened a claim.

3. On April 18, 2018, Allstate Provided Respondent with an estimate of the damage to his home. The estimate included the following fraud warning:

"Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

4. On April 19, and June 26, 2018, Respondent submitted to Allstate the following invoices for roof and siding tarping services, as evidence he paid a restoration company for its work. A

representative of the restoration company ostensibly signed each invoice. Relying on those invoices, Allstate paid Respondent \$3,310.05, net \$39.95, a portion of Respondent's unused deductible.

Tarp service	paid in full April 02, 2018	Total \$550.00
Tarp service	paid in full April 09, 2018	Total \$350.00
Tarp service	paid in full April 10, 2018	Total \$350.00
Tarp service	paid in full April 14, 2018	Total \$350.00
Tarp service	paid in full May 01, 2018	Total \$450.00
Tarp service	paid in full May 15, 2018	Total \$550.00
Tarp service	paid in full May 17, 2018	Total \$750.00

5. On July 9, 2018, in an effort to authenticate the aforementioned invoices, an Allstate representative spoke to a representative of the restoration company whose name appeared on the invoices. The representative advised that on April 23, 2018, an employee at his company prepared an estimate for Respondent, but the company never performed work for Respondent or at Respondent's home. The representative concluded the invoices were fraudulent. Consequently, Allstate referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation.

6. On September 17, 2018, an Allstate investigator interviewed representatives of the restoration company. The representative for the restoration company advised the investigator that the signature on the invoices was forged, and the restoration company employed Respondent until June 21, 2018.

7. On November 7, 2018, Allstate sent Respondent a letter requesting restitution of the \$3,310.00 it paid him when it relied on invoices he submitted to Allstate, later determined to be false.

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."

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

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

10. On March 13, 2019, an MIA investigator interviewed the owner of the restoration company named on the invoices submitted to Allstate by Respondent. He confirmed the invoices were false and that his restoration company never performed any work at Respondent's home.

11. On March 22, 2019, an MIA investigator interviewed Respondent who advised that he was the general manager for the restoration company named on the invoices he submitted to Allstate. He advised that he prepared the invoices himself, and paid sub-contractors to perform the work. Respondent stated that he did not pay the restoration company named on the invoices. Respondent provided the MIA investigator with the names and phone numbers of the sub-contractors he allegedly used to perform the work at his home.

12. On April 9, 2019, an MIA investigator interviewed the accounts receivable representative for the restoration company named on the invoices submitted to Allstate by Respondent. She confirmed that Respondent was a general manager at the restoration company and he prepared his own documents on the company's computer. The invoices Respondent submitted to Allstate were invoices he created and not official invoices of the restoration company. The representative confirmed that the restoration company did not receive payment for work, which Respondent alleged it performed.

13. On April 15, 2019, an MIA investigator interviewed one of the three sub-contractors identified by Respondent as having performed restoration work at his home; the contractor denied performed any work at Respondent's home. The other two sub-contractors failed to cooperate with MIA's investigation.

II. Violation(s)

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

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. Respondent committed a violation of the Insurance Article when he submitted seven (7) false invoices to Allstate in support of his claim. 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. Having considered the factors set forth in § 27-408(c)(2) the MIA has determined that \$3,500.00 is an appropriate penalty.

20. Respondent is ordered to reimburse Allstate \$3,310.05, which is the amount he fraudulently obtained from Allstate by submitting false invoices.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-1671A) and name (William Tankersley, Jr.). 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.

22. Notification of reimbursement to Allstate shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or cancelled check issued to Allstate as proof of reimbursement and identify the case by number (R-2019-1671A) and name (William Tankersley, Jr.).

23. 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 2nd day of July 2019, **ORDERED** that:

- (1) William Tankersley, Jr. shall pay an administrative penalty of three thousand five hundred dollars (\$3,500.00) within 30 days of the date of this Order.
- (2) William Tankersley, Jr. shall pay restitution to Allstate in the amount of three thousand three hundred and ten dollars and five cents (\$3,310.05) 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.