

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

TODD ANTHONY ADKINS  
7444 Lawrence Road  
Dundalk, Maryland 21222

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-08-021  
Fraud Division File No.: R-2019-2086A

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**CONSENT ORDER**

This Consent Order (“Order”) is entered by the Maryland Insurance Commissioner and Todd Anthony Adkins (“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”), to resolve the matter before the Insurance Administration (the “MIA” or the “Administration”).

**EXPLANATORY STATEMENT AND FINDINGS OF FACT**

1. Respondent was a named insured on an automobile insurance policy issued by the United Services Automobile Association (“USAA”) an authorized insurer, for a 2012 Audi he co-owned with his ex-wife (hereinafter K.V.). The policy was effective from May 24, 2018 to November 24, 2018.

2. On November 18, 2018, Respondent reported to USAA that on November 14, 2018, he was operating his insured vehicle when he struck a utility pole, causing damage to the vehicle. USAA opened a claim.

3. On November 19, 2018, K.V. reported another accident to USAA, also occurring on November 14, 2018, for a newly purchased Kia. K.V. explained that on November 13, 2018, she attempted to trade the 2012 Audi for a new Kia, but she owed too much money on the Audi. K.V. decided to keep the Audi, and also purchased a new Kia, which she wrecked on November 14, 2018. K.V. reported that after purchasing the Kia, she left the Audi at the dealership and

advised Respondent to pick up the Audi. USAA grew suspicious and therefore, referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation.

4. On November 21, 2018, a USAA investigator contacted the Kia dealership where K.V. reported she left the Audi on November 13, 2018. A representative for the Kia dealership confirmed that K.V. attempted to trade the Audi for a Kia but the Audi needed a lot of repairs and had damage to include the hood and fender. Therefore, the dealership declined to accept the Audi as a trade.

5. On November 21, 2018, a USAA investigator interviewed Respondent who reported that as a result of his November 14, 2018 accident, the front bumper, hood, light and fender were damaged. Respondent denied the Audi had prior damage other than minor wear and tear.

6. On November 27, 2018, USAA inspected and photographed damages to Respondent's Audi.

7. On December 6, 2018, a USAA investigator obtained photographs of Respondent's Audi taken by a representative of the Kia automobile dealership on November 13, 2018, subsequent to K.V.'s attempt to trade it for a Kia. A comparison of photographs of the Audi taken on November 27, 2018, with those taken on November 13, 2018, a day prior to Respondent's alleged accident, revealed all damages were pre-existing. Consequently, the USAA investigator again interviewed Respondent, who admitted that the damage to the Audi occurred prior to November 14, 2018.

8. On December 28, 2018, USAA sent a letter to Respondent denying his claim as it determined there was no loss on November 14, 2018, and Respondent misrepresented material facts.

9. 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.

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

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

11. On June 11, 2019, an MIA investigator interviewed Respondent who confessed that he lied to USAA when he stated that his car was damaged in a single car collision on November 14, 2018. Respondent provided a detailed written confession admitting he lied to USAA.

## II. Provisions of Law

12. The following provisions of law are relevant to the Administration's inquiry. Pursuant to § 2-204(b)(2), the failure to designate a particular provision of the article in this Order does not deprive the Commissioner of the right to rely on that provision.

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)

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

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(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.

### III. Sanctions

15. 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.

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

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

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-2086A) and name (Todd Anthony Adkins). 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.

## ORDER

WHEREFORE, for the reasons set forth above, it is this 19<sup>th</sup> day of July 2019, **ORDERED** by the Commissioner and consented to by Respondent, that:

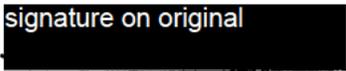
Respondent shall pay an administrative penalty in the amount of \$500.00 contemporaneously with Respondent's execution of this Order.

### Other Provisions

- A. The executed Consent Order and administrative penalty payment shall be sent to the attention of: Associate Commissioner, Fraud Division, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202 and shall identify the case by number (R-2019-2086A) and name (Todd Anthony Adkins).
- B. 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.
- C. 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.
- D. 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.

- E. 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.
- F. 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.
- G. Failure to comply with the terms of this Order may subject Respondent to further legal and/or administrative action.

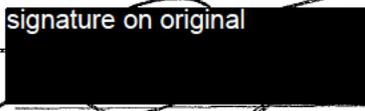
ALFRED W. REDMER, JR.  
INSURANCE COMMISSIONER

By:   
STEVE WRIGHT  
Associate Commissioner  
Fraud Division

TODD ANTHONY ADKINS' CONSENT

Todd Anthony Adkins hereby CONSENTS to the representations made in, and terms of, the above Consent Order.

20190724  
Date

  
Todd Anthony Adkins