

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

Dorothy Boyd-Griffin
1750 Montpelier Street
Baltimore, Maryland 21218

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-08-022

Fraud Division File No.: R-2019-2406A

AMENDED ORDER

This Amended Order is entered by the Maryland Insurance Administration (the “MIA”) against Dorothy Boyd-Griffin (“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. On September 17, 2018, Respondent completed an automobile insurance application with Liberty Mutual Insurance Company (“Liberty”), an authorized insurer, for her 2016 Chrysler. Within the insurance application, Respondent stated that her address was 4236 Dudleys Grant Drive, Winterville, North Carolina 28590-7906. Respondent signed the application immediately after the following fraud warning:

ANY PERSON WHO KNOWINGLY, AND WITH THE INTENT TO INJURE, DEFRAUD OR DECEIVE, SUBMITS INFORMATION TO AN INSURER THAT IS FALSE, INCOMPLETE OR MISLEADING, MAY BE GUILTY OF A CRIME.

Applicant Authorization and Acknowledgement

[S]igning this form does not bind the applicant to complete the insurance, but it is agreed that this form shall be the basis of the contract should a policy be issued. In the event that any material misrepresentations, omissions, concealment of facts and/or incorrect statements are made by or on behalf of the insured during the application process, we may exercise whatever legal remedies may be available to us under the laws and regulations of this state...

By signing below I acknowledge that I have read and understand the Applicant Authorization and Acknowledgement as well as validated information on all pages of the application.

Relying on the information provided by Respondent, Liberty issued her an automobile insurance policy effective on September 18, 2018.

2. On November 5, 2018, Respondent went to her online Liberty account and added coverage to her automobile policy. She called Liberty the following day, and confirmed she resided at 4236 Dudleys Grant Drive, North Carolina.

3. On November 26, 2018, Respondent notified Liberty that the rear of her vehicle was damaged. She could not tell if someone was trying to gain access to the trunk or whether it was struck. Liberty opened a claim.

4. On November 27, 2018, a Liberty representative noted the accident happened in Maryland but the policy coverage was for North Carolina. A subsequent Carfax search revealed the vehicle had been regularly serviced and registered in Maryland. Consequently, Liberty referred Respondent's claim to its Special Investigation Unit ("SIU") for further investigation.

5. On November 29, 2018, a Liberty investigator obtained a list of all internet provider ("IP") addresses associated with Respondent's electronic communications with Liberty. Respondent's Liberty account was accessed sixteen times. Ten IP addresses reflected that access was made from a city in Maryland and six reflected that access was made from a city in New York. No IP addresses were associated with North Carolina.

6. On November 30, 2018, a Liberty investigator conducted an online search for 4236 Dudleys Grant Drive, Winterville, North Carolina, with negative results.

7. On November 30, 2018, Respondent gave a recorded statement to Liberty Mutual. In the interview, Respondent stated that she reviewed her insurance application before signing it.

When asked whether she is currently employed, Respondent replied, "I'm retired right now;" she retired from Johns Hopkins Hospital ("JHH") in July, 2018 from her position as a Patient Care Technician. Respondent advised that since September, 2018, she traveled to the North Carolina address about seven times, on weekends. She stated that she purchased the Liberty insurance policy from the North Carolina location, using her mobile phone, contrary to Liberty's finding that No IP addresses were associated with North Carolina. Respondent stated she had not changed her address on any other documents. Respondent falsely claimed she moved to North Carolina in early September, 2018.

8. On December 6, 2018, a Liberty investigator learned that Respondent's annual insurance premium would have been \$656.94 more when quoted for Respondent's Maryland address as opposed to the North Carolina address.

9. On January 7, 2019, Liberty sent Respondent a letter denying her claim because there was no policy in effect.

10. 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.

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

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

12. On June 28, 2019, an MIA investigator conducted a search of the Maryland Department of Transportation ("Mdot") database and confirmed that Respondent has had a

Maryland license issued since March, 2015, and her insured vehicle was titled and registered in Maryland on the date of loss. The MIA investigator went to the Maryland address noted on Respondent's Maryland driver's license. An adult male confirmed Respondent lived at the Maryland address. Later that day, Respondent contacted the MIA investigator and advised she informed Liberty that she was planning to retire and move to North Carolina but her plans changed due to a family illness and she never moved.

13. On July 3, 2019, an MIA investigator contacted a representative from the North Carolina Department of Transportation ("NCdot") and requested information concerning Respondent's North Carolina license and possible vehicle registration. NCdot advised that the Respondent has not been licensed in their state since March, 1993, and that no vehicles are registered in her name.

14. On July 9, 2019, an MIA investigator contacted the manager of the North Carolina Home Owners Association ("HOA") for the subdivision where the Respondent reported she lived. The HOA manager advised that the address, 4236 Dudleys Grant Drive, does not exist. MIA conducted an online search of the Pitt County, North Carolina Tax Department, and confirmed that the address does not exist in Winterville, North Carolina.

15. On August 27, 2019, the Administration issued an Order against Respondent. A hearing is scheduled for February 25, 2020. This Order supersedes the Administration's Order of August 27, 2019.

16. On September 20, 2019, an MIA investigator interviewed a JHH Human Resources representative. She advised that Respondent is currently a full time employee at JHH, as a Patient Care Technician. Respondent has been employed continuously since November, 2003, Contrary to statements Respondent made to Liberty during her November 30, 2018

recorded statement, in which she stated she retired in July, 2018, after sixteen years as a Patient Care Technician.

17. Using an Internet IP address search engine, an MIA investigator confirmed, as reported by Liberty, that Respondent accessed her Liberty account from an IP address associated with JHH. According to Liberty, the JHH IP address was used to access Respondent's account on September 18, 2018 and November 26, 2018, months after Respondent allegedly retired, and in November, only days prior to her recorded interview.

II. Violation(s)

18. 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:

19. **§ 27-406**

It is a fraudulent insurance act for a person:

(1) knowingly or willfully to make a false or fraudulent statement or representation in or with reference to an application for insurance[.]

209. **§ 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.

21. By the conduct described herein, Respondent knowingly violated § 27-406(1). As such, Respondent is subject to administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

22. 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.

23. By the conduct described herein, Respondent violated § 27-406(1) and is subject to the imposition of an administrative penalty under the Insurance Article.

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

25. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-2406A) and name (Dorothy Boyd-Griffin). 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.

26. This Amended 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 Amended Order.

WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 8th day of October 2019, **ORDERED** that:

Dorothy Boyd-Griffin pay an administrative penalty of One Thousand Five Hundred (\$1,500.00) within 30 days of the date of this Amended 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 Amended Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Amended 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 Amended 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 Amended Order and the Amended Order shall be final on its effective date. Please note that if a hearing is requested on this Amended 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.