

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

LOVELL TSALHATU MATANKARI
9506 Vermell Place
Upper Marlboro, Maryland 20774

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-10-018
Fraud Division File No.: R-2019-2419A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Lovell Tsalhatu Matankari (“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 December 17, 2018, Respondent contacted United Service Automobile Association (“USAA”), an authorized insurer, and obtained renter’s insurance for his residence at 9506 Vermell Place, Upper Marlboro, Maryland. The policy was in effect from December 17, 2018 through December 17, 2019.
2. On December 27, 2018, Respondent made an online claims submission to USAA, in which he reported that on December 17, 2018, his insured property was damage by water as a result of a sump pump failure. USAA opened a claim.
3. On December 28, 2018, USAA referred Respondent’s claim to its Special Investigation Unit (“SIU”) as the claim occurred within five days of obtaining the renter’s insurance policy.
4. On January 2, 2019, the USAA investigator performed an Insurance Services Office (“ISO”) search and discovered that the owner of the house, who Respondent was renting from, made a

water loss claim to his insurer, Homesite Insurance Company (“Homesite”) on December 16, 2018, the day before Respondent obtained his USAA renter’s insurance policy.

5. On January 3, 2019, a USAA investigator conducted a recorded interview with Respondent who reported that when he woke up on the morning of December 17, 2018, he discovered water surrounding his bed; he called 911. Respondent stated that there was no water damage occurring at the time he obtained the USAA insurance policy.

6. On January 4, 2019, the USAA investigator contacted the fire administrator’s office for the Prince George’s County Fire Department and learned that the fire department was dispatched to Respondent’s home on December 16, 2018, at about 7:03 a.m., a day before Respondent obtained his USAA renter’s insurance policy.

7. On January 17, 2019, USAA sent Respondent a letter denying his claim as:

“USAA GIC reviewed the claims history at 9506 Vermell Place, Upper Marlboro, MD and found that a claim was submitted by your landlord...to Homesite Insurance Company for water damage from a sump pump failure that occurred on 12/16/18.

You reported to USAA GIC that you discovered water on the floor when you were getting out of bed on 12/17/18 at approximately 7:00am. You stated that after you discovered the water on the floor you contacted the landlord and he advised you that the sump pump had failed. You stated that you called 911 since you were in fear of getting electrocuted and they responded within five minutes of your call. When you were presented with information regarding the Homesite Insurance claim you stated that your policy began prior to the water damage and it was a coincidence that the sump pump stopped working the same day. You later contacted USAA GIC and requested that the claim be closed since your landlord was taking care of your damaged property.

USAA GIC contacted the Upper Marlboro Dispatch and the Fire Administration, and they advised your call for service was received on 12/16/18 at 7:03am and they cleared their response at 7:19am the same morning.

* * *

Based on the facts and policy information above, USAA GIC determined that you misrepresented and concealed material facts ...the claim is denied.”

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.

USAA, 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 USAA and confirmed the facts regarding its handling of the Respondent's claim.

10. On July 15, 2019, an MIA investigator obtained a copy of the Prince George's County Public Safety Communications Incident Details report, which confirmed that a 911 call was made on December 16, 2018, at 7:01 a.m., for "Water problem with electrical hazard" at 9506 Vermell Place. The MIA investigator obtained a copy of the Prince George's County 911 audio recording, which confirmed Respondent himself called 911 on December 16, 2018, to report a flood.

II. Violation(s)

11. 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:

12. § 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[.]

13. § 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.

14. 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 false statements to USAA. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

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

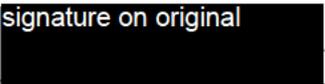
17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-2419A) and name (Lovell Tsalhatu Matankari). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

18. 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 9th day of September 2019, **ORDERED** that:

Lovell Tsalhatu Matankari shall pay an administrative penalty of One Thousand Dive Hundred Dollars (\$1,500.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

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: 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.