

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

TAMIKA VALJEANNE PUMPHREY
2200 Graythorn Road
Middle River, Maryland 21220

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-10-037
Fraud Division File No.: R-2019-3492A

ORDER

This Order is entered by the Maryland Insurance Administration (the "MIA") against Tamika Valjeanne Pumphrey ("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 the named insured on an automobile insurance policy with Metropolitan Property and Casualty Insurance Company ("MetLife"), an authorized insurer. The policy was in effect from September 24, 2018 through March 24, 2019. On March 4, 2019, Respondent added a 2010 Toyota to her MetLife insurance policy.

2. On March 20, 2019, Respondent notified MetLife that her insured Toyota had been parked and unoccupied, in front of her home, when she discovered damage to the grill, and hood. MetLife opened a claim.

3. On March 21, 2019, Respondent's claim was referred to MetLife's Special Investigations Unit ("SIU") as Respondent added the Toyota to her insurance policy on March 4, 2019, filed a "hit run" accident claim on March 20, 2019, and requested to cancel her MetLife insurance policy on March 24, 2019.

4. On March 21, 2019, a collision repair estimate was performed on Respondent's Toyota, and photographs of the damage were taken.

5. On March 25, 2019, a MetLife investigator performed an Insurance Services Office ("ISO") search and found a previous claim made by Respondent to Allstate Insurance Company, ("Allstate"), for a loss occurring on July 20, 2018. The MetLife investigator obtained photographs of the damage to Respondent's Toyota, taken in the Allstate claim. He compared the photographs of the damage reported to Allstate with the damage reported to MetLife, and concluded the damage was the same in both claims. The Metlife investigator also obtained photographs of Respondent's Toyota taken through the license plate reader ("LPR") software on December 12, 2018 and January 14, 2019, which also depicted the same damage as in the Allstate and MetLife claims.

6. On March 25, 2019, a MetLife investigator conducted an interview with Respondent who stated that she parked her car in front of her residence on March 19, 2019, at approximately 7:00 p.m. When she returned to the car at 6:30 a.m. she observed that the front grill, bumper, hood and driver's side of the vehicle were damaged. Respondent did not call the police; she observed debris from her car lying in the street. Respondent advised that in 2017 while her car was parked at a school, a ball hit it, but she paid for that repair out-of-pocket, and did not file a claim. When confronted about the July, 2018 accident, Respondent stated that must have been when the ball hit her car. Respondent reported that there was no damage other than a scrape on the passenger side, and she is not aware of any other accidents involving her vehicle. Respondent pointed out that all of the damage she claimed to MetLife occurred between March 19 and 20, 2019.

7. On March 26, 2019, MetLife denied Respondent's claim as, its investigation confirmed that the front-end damage Respondent claimed in conjunction with the March 20, 2019, loss is the same damage she was paid for in conjunction with a July 20, 2018 claim handled by Allstate. Additionally, on two occasions before March 20, 2019, Respondent's Toyota was photographed with the damage being claimed in the March 20, 2019 loss. MetLife's denial letter stated,

"As you have materially misrepresented key evidence we must respectfully decline to make any payment of this claim."

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.

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

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

10. An MIA investigator compared photographs taken in the MetLife claim with those taken in the Allstate claim and concluded the damage was identical in both claims.

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

III. Sanctions

15. Insurance fraud is a serious violation, harmful to consumers because the losses experienced by insurance companies are passed on to consumers in the form of higher premiums. Pursuant to §§ 2-210 (d)(1) and 2-405 of the Insurance Article, the Commissioner has the authority to investigate complaints alleging that a fraudulent claim has been submitted to an insurer.

16. Having considered the factors set forth in § 27-408(c)(2) the MIA has determined that fine of \$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-2019-3492A) and name (Tamika Valjeanne Pumphrey.) 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 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 23rd day of October 2019, **ORDERED** that:

Tamika Valjeanne Pumphrey 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: 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.