

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

DARLENE ENNIS
5311 Ethelbert Avenue
Baltimore, Maryland 21215

And

CHARNINA RHEUBOTTOM
4216 Diller Avenue
Baltimore, Maryland 21206

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-11-042

CASE NO. : MIA-2019-11-043

Fraud Division File No.: R-2019-3799A

ORDER

This Order is entered by the Maryland Insurance Administration (the "MIA") against Darlene Ennis ("Respondent Ennis") and Charnina Rheubottom ("Respondent Rheubottom"), collectively ("Respondents,") 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 April 16, 2019, Respondent Ennis notified Esurance Property & Casualty Insurance Companies ("Esurance"), an authorized insurer, that earlier the same day, a vehicle it insured struck her vehicle, which was parked. Respondent Ennis reported that she and her two grandchildren were in the car, and the grandchildren were injured. Esurance opened a claim.

2. On April 17, 2019, an Esurance representative conducted a recorded interview with its insured (the "insured") who reported that on April 16, 2019, he was operating his 2003 Honda Civic, in the parking lot of Burger King, ("BK") in Baltimore, Maryland, when he backed up, and struck a parked vehicle, which was not occupied. The family associated with the car he

struck, were coming out of the BK at the time of impact. The insured reported that the impact was minor; he took photographs of the damage and exchanged information with Respondents. The insured advised that security camera video footage from BK would prove that no one was in the car he struck.

3. On April 17, 2019, an Esurance representative conducted a recorded interview with Respondents Ennis and Rheubottom. Respondent Ennis reported that on April 16, 2019 she, along with her two grandchildren were sitting in her rented Nissan Rogue, parked in the parking lot at BK, waiting for her daughter, Respondent Rheubottom, who was in BK. A vehicle insured by Esurance struck her rented vehicle. Respondent Ennis stated that the children were going to the doctor's to get "checked out," and she was "shook up." The Esurance representative then spoke with Respondent Rheubottom who reported that one of the children who occupied the Nissan was her child, and the other was her grandchild, both suffered neck and back pain, and she was taking both children to the hospital for treatment. When the Esurance representative advised Respondents that their insured reported that the vehicle he struck was not occupied, Respondents were adamant that three people were in the Nissan.

4. On April 19, 2019, Respondents' Esurance claim was referred to the Esurance Special Investigations Unit "SIU" for further investigation.

5. On April 24, 2019, an Esurance investigator watched the April 16, 2019 BK video footage, which depicted a Honda Civic, the vehicle insured by Esurance, backing up and striking a Nissan, which was parked and unoccupied. Respondent Ennis, Respondent Rheubottom and the two children walked to the Nissan. Respondent Ennis put both children in the Nissan, after the accident.

6. On April 25, 2019, Esurance issued Respondents Ennis and Rheubottom a letter stating,

“[W]e have determined that our policyholder is not legally liable for any bodily injuries. Since we are only responsible to pay the losses for which our insured is legally responsible, we must respectfully deny any bodily injury claim.”

7. 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.

Esurance, having a good faith belief that Respondents Ennis and Rheubottom committed insurance fraud referred the matter to the MIA, Fraud Division.

8. On November 8, 2019, an MIA investigator interviewed Respondent Ennis who stated, she initially told Esurance the children were in the Nissan but later told them that they were not.

9. On November 18, 2019, an MIA investigator interviewed Respondent Rheubottom who advised that she never reported the children were in the car and she was not paid for any injuries. When the MIA investigator informed Respondent Rheubottom that Esurance had a recorded statement of her saying the children were in the vehicle and injured she stated she does not know anything about that and then she terminated the call.

10. The MIA investigator reviewed the April 16, 2019 BK video footage, which depicted a Honda Civic, backing up and striking a Nissan, which was parked and unoccupied. Immediately following the collision, Respondent Rheubottom appears in the video, approaching the rear of the vehicles. Respondent Ennis then appears on the driver's side of the Nissan and opens the rear driver's side door; two children get into the Nissan.

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 Respondents 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, Respondents Ennis and Rheubottom 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. Respondents Ennis and Rheubottom committed a violation of the Insurance Article when they made a false statement to Esurance. As such, Respondents Ennis and Rheubottom are 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 an appropriate penalty for both Respondent Ennis and Rheubottom should be \$1,500.00 each.

17. Administrative penalties shall be made separately and payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-3799A) and the Respondent's name (Darlene Ennis or Charnina Rheubottom). 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.

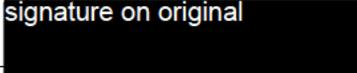
18. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Respondents including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 25th day of November 2019, **ORDERED** that:

(1) Darlene Ennis shall pay an administrative penalty of one thousand five hundred dollars (\$1,500.00) within 30 days of the date of this Order.

(2) Charnina Rheubottom 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

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.