

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

SADE KIARA BEST
1747 East Preston Street
Baltimore, Maryland 21213

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO.: MIA-2020-03-006
Fraud Division File No.: R-2019-4448A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Sade Kiara Best (“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 a named co-insured on an automobile insurance policy issued by Progressive Group of Insurance Companies (“Progressive”), an authorized insurer, for a 2015 Hyundai. The policy was in effect from November 10, 2018 through May 10, 2019. Respondent was removed from the policy on December 9, 2018. The policy remained in effect under the name of other insured driver. The policy contained a rideshare exclusion, in which, insurance coverage is not provided if the insured vehicle was used for rideshare purposes at the time of a loss.

2. On January 23, 2019, Respondent notified Progressive that on January 22, 2019, she was driving the insured vehicle and the named insured was a passenger. The vehicle was struck by another vehicle, which fled. Progressive opened a claim, wherein a Progressive representative asked for a phone number to contact its insured. Respondent replied that they shared a phone [ending in 7341].

3. On January 23, 2019, a Progressive representative called the phone number ending in 7341, to interview the named insured. The person, who answered the call, identified herself as the Progressive insured. She confirmed that at the time of the January 22, 2019, accident, Respondent was driving, and she was the passenger. Although she identified herself as the passenger, and named insured, she stated, "I had stopped the car," then, "I put my car in reverse, cause [*sic*] I realized...they're not stopping..."

4. On February 4, 2019, Progressive inspected damages to the insured vehicle and prepared a repair estimate. On February 8, 2019, Progressive paid its named insured \$1,046.39 to repair her vehicle.

5. On May 3, 2019, Progressive was notified by a Maryland law firm, that it represented three passengers, who were injured in January, 2019, while using the Lyft rideshare service, being operated by Respondent, which was struck by another vehicle.

6. On May 6, 2019, a Progressive representative spoke to Respondent who reported that she also received a call about operating a rideshare; she "told the man he must have the wrong info (information)." Respondent reiterated that it was only she and the named insured in the vehicle at the time of the accident.

7. On May 23, 2019, a Progressive representative spoke to an attorney at the law firm representing the three passengers. The attorney advised that his clients have a screen shot of the Lyft receipt, which said, "Thank you for driving with Sade [Respondent]," as well as a photograph of the damage to the insured vehicle. Consequently, the claim was referred to Progressive's Special Investigations Unit ("SIU") for further investigation.

8. On May 30, 2019, Progressive sent a letter to its insured. In response, the named insured called Progressive. She denied ever speaking to Progressive about the January 22, 2019

accident. The named insured stated that Respondent informed her of the accident, in which Respondent was driving and reportedly had no passengers. The insured informed Progressive that Respondent was the owner of the insured vehicle, and “controls” the policy.

9. On June 3, 2019, the law firm, representing the three passengers, sent Progressive a letter of representation along with a photograph of the damage to the insured vehicle, and a Lyft receipt, which stated, “Thanks for riding with Sade [Respondent].”

10. On June 11, 2019, Lyft notified Progressive that the accident involving Respondent did occur on its “platform,” and the accident information was referred to Lyft’s insurance provider.

11. On June 12, 2019, a Progressive investigator interviewed Respondent who admitted that she was driving for Lyft rideshare when the accident occurred, and that she had impersonated the named insured in a recorded interview with Progressive.

12. 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.

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

13. During the course of its investigation, the MIA contacted Progressive and confirmed the facts regarding its handling of the Respondent’s claim.

14. On January 24, 2020, an MIA investigator spoke with the Progressive investigator who confirmed that he interviewed the Respondent, who admitted that at the time of the accident, she was driving for Lyft, and then later impersonated the named Progressive insured.

II. Violation(s)

15. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that the Respondent violated Maryland's insurance laws:

16. § 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.

17. § 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.

18. 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. Respondent committed a violation of the Insurance Article when she made false statements to Progressive. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

19. 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.

20. 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.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-4448A) and name (Sade Kiara Best). 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.

22. 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 3rd day of March 2020, **ORDERED** that:

Sade Kiara Best 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.