

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

BINTU SWARRAY
20424 Apple Harvest Cir, Apt. P
Germantown, Maryland 20876

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2020-04-024

Fraud Division File No.: R-2020-0332A

ORDER

This Order is entered by the Maryland Insurance Administration ("MIA") against Bintu Swarray ("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

Respondent was a named insured on an automobile insurance policy she had with Progressive Group of Insurance Companies ("Progressive"), an authorized insurer, for her 2002 Toyota. The policy was in effect from March 7, 2019 through September 7, 2019. The insurance policy only afforded liability coverage, which pays for the other driver's expenses in the event of an accident; liability would not extend coverage to repair Respondent's vehicle.

2. On July 11, 2019, Respondent contacted Progressive and requested an explanation of her current insurance coverage. She specifically asked, if she were in an accident, would she be covered. The Progressive representative explained that her liability policy would pay expenses incurred by the other driver, in the event of an accident, but would not pay to repair her vehicle. Consequently, Respondent asked to add comprehensive and collision coverage to her automobile policy, which is coverage designed to pay to repair her insured vehicle, if it were damaged in an accident. The added coverage became effective on July 16, 2019.

3. On July 16, 2019, the day Respondent's comprehensive and collision coverage began, she notified Progressive that earlier that day, while operating her insured vehicle, she had a single vehicle accident, driving off the roadway and into a ditch. Respondent advised she was alone at the time, and her vehicle suffered damage to the front bumper, and had flat tires. The vehicle had to be towed from the accident location. Respondent was unsure where the vehicle was towed to. Respondent advised that she photographed the damage to her vehicle, and she did not call the police. Progressive opened a claim.

4. On July 17, 2019, Respondent contacted a Progressive representative; contrary to her initial statement, that she was alone at the time of the July 16, 2019 accident, Respondent stated a friend was in her vehicle at the time of the accident.

5. On July 18, 2019, Progressive referred Respondent's claim to its Special Investigative Unit ("SIU"), for further investigation, as insurance coverage was changed within days of the alleged accident.

6. On July 19, 2019, a Progressive investigator conducted a recorded interview with Respondent, during which she confirmed the accident occurred on July 16, 2019, and she had a passenger, who arranged to have the vehicle towed. On July 17, 2019, ["day before yesterday,"] Respondent contacted another tow company, with a phone number ending in 8110, to retrieve her vehicle from a lot on Research Boulevard, where she alleged it was towed following the July 16, 2019 accident. Respondent had her vehicle towed to the parking lot at her home.

7. On July 24, 2019, the Progressive investigator called Grand Towing, (hereinafter referred to as "GT Towing"); the company Respondent stated towed her vehicle to her home on July 17, 2019. The phone number of the tow company ended in 8110. A male answered the phone and identified himself as the owner of GT Towing. He recalled towing Respondent's

vehicle from Redland Road, Derwood, Maryland, to her home; but he could not recall the exact date.

8. On July 24, 2019, the Progressive investigator identified the Redland Road, Derwood, Maryland location as Morton's Towing & Recovery, Inc., (hereinafter "M's Towing"). The investigator contacted M's Towing and learned it towed Respondent's vehicle on July 11, 2019, from Route 200 at Exit 19 in Laurel, Maryland. M's Towing retained possession of Respondent's vehicle through July 18, 2018, when it was picked up by GT Towing.

9. On July 29, 2019, Progressive sent Respondent a letter denying her claim, as:

[Its] investigation confirmed that the tow company was called the morning of July 11, 2019 to pick up the 2002 Toyota Camry from Route 200 at Exit 19 in Laurel, MD at your request. The evening of July 11, 2019 you contacted Progressive and requested to add collision coverage with a \$50 deductible. That coverage had a 5 day waiting period which ended on July 16, 2019. Based on our investigation, the 2002 Toyota Camry did not carry collision coverage for the date of the loss. As such, no premium was paid for this coverage. Therefore, we must respectfully deny coverage for this loss ...

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.

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

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

12. On March 3, 2020, an MIA investigator contacted the Maryland Transportation Authority (MDTA) Police Department and spoke with a police officer who recalled investigating a single vehicle accident on July 11, 2019, wherein, Respondent's vehicle had a single vehicle

accident on Route 200 at Exit 19. The officer gave the driver, who he identified as the sole occupant, a ride to her home.

13. On March 4, 2020, an MIA investigator provided the MDTA police officer with photographs Respondent submitted to Progressive of the accident she alleged occurred on July 16, 2019. The officer examined the photographs and advised the images depicted the accident he investigated on July 11, 2019.

14. On March 4, 2020, an MIA investigator contacted GT Towing. The owner recalled that in July, 2019, he towed a Toyota from M's Towing to a woman's residence.

15. On March 6, 2020, an MIA investigator obtained a copy of the MDTA police accident report and police dispatch call for service ("CFS") record. The accident report documented a single vehicle accident involving Respondent's 2002 Toyota. The accident occurred on July 11, 2019; Respondent was driving; the vehicle was disabled and towed by M's Towing. The CFS records reflect that on July 11, 2019, M.P. called 911 to report an accident. M.P. identified Respondent as the driver. Respondent's vehicle was towed by M's Towing, and an MDTA police officer transported Respondent to her home.

16. On March 6, 2020, an MIA investigator interviewed the manager of M's Towing, who reported that M's Towing towed Respondent's vehicle on July 11, 2019, at the request of the MDTA Police Department following an accident. On July 17, 2019, Respondent retrieved her vehicle from M's Towing. As evidence, the manager provided a copy of the July 11, 2019 tow invoice.

17. On March 31, 2020, an MIA investigator contacted M.P., who was identified in the MDTA Police Department's CFS report as the person who called 911 for an accident on July 11, 2019; she advised that she was the first person on the scene of the accident. She called 911

and waited for the police officer to arrive. Respondent appeared shaken and remained in her car until the police officer arrived.

II. Violation(s)

18. 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:

19. § 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.

20. § 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 § 27-403. 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 false statements to Progressive.

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

III. Sanctions

22. 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.

23. 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.

24. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2020-0332A) and name (Bintu Swarray.) 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.

25. 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 13th day of April 2020, ORDERED that:

Bintu Swarray 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:

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 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.