

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2020-04-028

KEONA MONIQUE DUNCAN
5400 Auth Road, Apt. 432
Camp Springs, Maryland 20746

Fraud Division File No.: R-2020-0157A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Keona Monique Duncan (“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 insured on a Renter’s insurance policy she had with American Bankers Insurance Companies (“Assurant”), an authorized insurer, for her apartment located in Camp Springs, Maryland. The policy was in effect from September 4, 2019 to September 4, 2020.

2. On June 12, 2019, Respondent notified Assurant that earlier that day, while in Washington D.C., she left her car unattended, for one or two hours. When she returned, she found that someone broke the small passenger window and removed her personal property. Assurant opened a claim. During the claims reporting process, Respondent provided an inventory of items stolen, which included, among other items, “Gucci boots,” valued at \$1,325.00 and “Gucci slides,” valued at \$290.00. Within the claim form, Respondent acknowledged the following fraud warning:

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

3. On June 17, 2019, Respondent's claim was referred to Assurant's Special Investigation Unit ("SIU") for further investigation, as Respondent made another claim two months earlier.

4. On June 19, 2019, an Assurant representative interviewed Respondent who reiterated that while she was visiting someone, in Washington, D.C., her vehicle was broken into. As proof she owned the items stolen, and that her vehicle had been broken into, Respondent submitted a Nordstrom receipt for Gucci boots and slides, which reflected, the shoes were ordered on December 15, 2018, order number ***4386. The order totaled \$1,632.40. Respondent also submitted a window repair receipt purportedly from "DCWindshield Auto Glass Repair" for \$205.98.

5. On June 23, 2019, Respondent submitted a photograph to Assurant depicting the alleged damage to the passenger-side window of her vehicle, as further evidence that her vehicle was broken into, and in support of her theft claim.

6. On June 26, 2019, an Assurant investigator conducted a Google search of DC Windshield and Auto Glass Repair, in an effort to authenticate the window repair receipt, submitted by Respondent. The investigator called the associated phone number. A person answered, and pointed out that his receipts are numbered, contrary to the receipt submitted by Respondent; further, the name of his business was not DC Windshield and Auto Glass Repair. The investigator concluded that the receipt "does not appear to be valid."

7. On June 27, 2019, in an effort to authenticate the \$1,632.40 Nordstrom receipt for the Gucci boots and slides, an Assurant representative contacted Nordstrom and learned that the items were purchased, but returned.

8. On July 12, 2019, an Assurant investigator confronted Respondent with information that the Gucci boots and slides were returned. Respondent confirmed that she returned the items but repurchased them. Respondent subsequently submitted another Nordstrom receipt, reflecting the purchase of Gucci boots, which the investigator was able to authenticate. Respondent failed to submit a receipt for the Gucci slides.

9. On July 12, 2019, Assurant sent Respondent a letter, which stated:

This letter is to advise you that our investigation into your claim has been completed. Based on the information we obtained we are making a decision to deny your claim for misrepresentation.

Our investigation indicates that you intentionally provided false information pertaining to your claim.

Our investigation revealed that you are claiming a payment for the theft of your personal items; however, you submitted two documents which were found to be misleading. The first document consists of a receipt of Gucci Boots and Gucci Slides [sandals]; however, the receipt indicates these items were both returned. You have submitted a new receipt for the Gucci Boots and they were verified as valid; however, no receipt has been provided for your Gucci Slides. Furthermore, the documentation you submitted for your vehicle's window replacement was found to be falsified. The address on this receipt is associated with a tire shop and not the store you are claiming your vehicle's car window was replaced. In addition, after speaking with the store of the tire shop there was no record of a repair nor a replacement on your vehicle.

This intentional misrepresentation hindered our ability to perform an objective review of your claim. For this reason we are denying your claim for benefits.

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.

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

12. On February 4, 2020, an MIA investigator conducted an online Google image search of the damaged window photograph Respondent submitted to Assurant. The results returned an exact image match dating back to October 25, 2014.

13. On February 12, 2020, an MIA investigator went to the address noted on the DC Windshield and Auto Glass Repair receipt that Respondent submitted to Assurant, and learned, the name of the business was not DC Windshield as indicated on the receipt. An employee at the location examined the receipt and advised it was not their receipt. The MIA investigator spoke with the owner of the business at the location; he reported that his business had been there for about four years and he was not familiar with DC Windshield. He stated that he did not repair a window on Respondent's vehicle.

14. On February 12, 2020, in response to MIA's request, Respondent contacted the MIA investigator and stated that she was out of the country when the theft occurred. She loaned her vehicle to a friend, who notified her of the theft. Respondent stated the repair receipt was given to her by her friend upon her return to the U.S. Respondent stated the Gucci slides were repurchased, and she would forward the receipt to the MIA.

15. On February 13, 2020, Respondent sent an email to the MIA investigator, in which she advised that she exchanged the Gucci slides for another size. When contacted by the

MIA investigator, Respondent stated, she received a gift card for the exchange; therefore, the repurchase could not be traced back to her account.

16. On February 13, 2020, an MIA investigator spoke with a Nordstrom representative who confirmed that Respondent returned the slides on January 12, 2019, and received a full refund to her account. No gift card was issued.

II. Violation(s)

17. 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:

18. § 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.

19. § 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.

20. By the conduct described herein, Respondent knowingly violated § 27-403. A fraudulent insurance act of making false statements and submitting false documents in support of a claim is complete upon making the false statements and submitting the false documents, and is not dependent on payment being made. Respondent committed a violation of the Insurance Article when she made a false statement, and submitted false documents to Assurant. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

21. 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.

22. Having considered the factors set forth in § 27-408(c)(2) the MIA has determined that fine of \$3,000.00 is an appropriate penalty.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2020-0157A) and name (Keona Monique Duncan). 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.

24. 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:

Keona Monique Duncan shall pay an administrative penalty of three thousand dollars (\$3,000.00) 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.