

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

MANAS ADAMS
809 Park Avenue Apt 3A
Baltimore, Maryland 21201

* BEFORE THE MARYLAND
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* INSURANCE COMMISSIONER
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* CASE NO. : MIA-2020-05-008
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* Fraud Division File No.: R-2019-4013A
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AMMENDED ORDER

This Amended Order is issued by the Maryland Insurance Administration (the “MIA”) against Manas Adams (“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”). The amendments are specifically cited in paragraphs 13 and 14 of this Amended Order.

I. Facts

1. On April 4, 2019, at 8:55 A.M. Respondent called Metropolitan Property and Casualty Insurance Company (“MetLife”) an authorized insurer, to obtain “full” automobile insurance coverage for her 2013 Volkswagen (“VW”). As is its practice and with Respondent’s permission, MetLife recorded the call. During the call, Respondent provided information regarding her driving history and other matters. She did not, however, have certain required information readily available, and therefore called a second time at 9:29 A.M. to provide that information. This call was also recorded. The representative told Respondent that the policy would take effect in eight days. Respondent, however, said that she wanted the policy to be effective “today.” The insurance policy was bound on April 4, 2019 at 9:48 A.M., and the initial payment was to be made the same day.

As part of the telephonic transaction the MetLife representative read the following fraud warning to Respondent:

Any person who knowingly or willingly presents a false or fraudulent claim for a payment or a loss or benefit or who knowingly or willfully presents false information in an application is guilty of a crime...

2. On April 5, 2019, Respondent contacted MetLife to report that she and the insured vehicle had been involved in an accident (“the accident”). This call was recorded. She said that on April 4, 2019, at about 10:45 A.M., while driving her insured VW on Interstate 83, she had struck the rear of another vehicle. Her VW was towed from the scene. She said that the driver of the other vehicle (the “claimant”) had automobile insurance with Government Employees Insurance Company (“GEICO”), an authorized insurer. She said that a Baltimore City police officer responded at the scene and wrote a report. Respondent said that she had purchased the MetLife insurance policy at around 9:00 A.M., which was prior to the accident. Respondent said that she had overlapping insurance coverage and that the MetLife policy provided full coverage. The MetLife representative opened a claim and told Respondent that MetLife would conduct an investigation to confirm coverage.

3. On April 9, 2019, MetLife authorized a rental car for Respondent, starting on April 10, 2019. MetLife paid \$391.05 for the rental car.

4. On April 9, 2019, MetLife referred Respondent’s claim to its Special Investigation Unit (“SIU”), for it to determine whether coverage was in place at the time of the accident.

5. On April 25, 2019, a MetLife investigator conducted a recorded interview with Respondent. She reported that she had liability insurance for her VW through GEICO and that on April 4, 2019, at around 8:00 A.M., she had also purchased full coverage from MetLife. She said

that at about 10:30 A.M., the same day as that purchase, she had been in an accident while operating the insured vehicle.

6. On May 1, 2019, a MetLife investigator contacted GEICO, which insured the operator of the vehicle Respondent had struck. A GEICO representative said that its insured had reported that the accident occurred on April 4, 2019, at 8:45 A.M.

7. On May 2, 2019, a MetLife investigator received a copy of the April 4, 2019 police accident report, in which the responding Baltimore City police officer documented the time of the accident as 9:00 A.M. This was prior to Respondent's purchase of the MetLife policy, which was bound at 9:48 A.M.

8. On May 6, 2019, MetLife sent Respondent a letter denying her claim. The letter stated, in part:

"A review of all of the evidence supports that material misrepresentations were made by you in conjunction with the reporting and subsequent investigation of this claim. As the implication is you failed to cooperate fully by misrepresenting material facts, and the loss occurred before your MetLife policy was bound we are denying your claim in full."

9. Section 27-802(a)(1) of the Maryland Insurance Article ("the 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.

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

11. During the course of its investigation, an MIA investigator contacted MetLife and confirmed the facts regarding its handling of the Respondent's insurance application and claim.

12. On December 31, 2019, an MIA investigator obtained a copy of the Baltimore City Police Department Call for Service report, which reflected that the call was made to the police department on April 4, 2019 at 9:02 A.M., 46 minutes before Respondent’s MetLife automobile insurance policy went into effect at 9:48 A.M.

13. An MIA investigator obtained the April 4, 2019, body worn camera (“BWC”) video footage from the Baltimore Police Department for the police officer who responded to the accident. At about the 27 minute 50 second mark on the video, Respondent said to the responding officer, “I’m going to be honest with you. I wanted to switch insurance companies ...the reason why I was asking is because I wasn’t sure if you were putting a time because prior to this accident I had liability ...do you guys report time?”

14. An MIA investigator obtained a copy of the recorded interview provided to GEICO by its insured whose vehicle Respondent struck in the accident. During the recorded interview, the GEICO-insured driver, when asked on what date and at what time the accident occurred responded, “April the 4th at around 8:30 – 8:45 A.M.”

II. Violation(s)

15. In addition to any other applicable sections of the Article, invokes the following sections in finding that Respondent has violated Maryland’s insurance laws:

16. § **27-406**

It is a fraudulent insurance act for a person:

(1) knowingly or willfully to make a false or fraudulent statement or representation in or with reference to an application for insurance[.]

17. **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[.]

18. § 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.

19. By engaging in the conduct described herein, Respondent knowingly violated sections 27-406(1) and 27-403 of the Article. Respondent is therefore subject to an administrative penalty as authorized by section 27-408(c) of the Article.

III. Sanctions

20. 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.

21. Based on the factors identified in § 27-408(c)(2), the MIA has determined that \$2,000.00, is an appropriate penalty.

22. Respondent is also ordered to reimburse MetLife for \$391.05, the amount she fraudulently obtained from MetLife when submitting a false claim and obtaining a rental car subsequent to her April 4, 2019 accident.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-4013A) and name (Manas Adams). 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. Notification of reimbursement to MetLife shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or cancelled check issued to Metropolitan Property and Casualty Insurance Company as proof of reimbursement and identify the case by number (R-2019-4013A) and name (Manas Adams).

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 28th day of December 2020, **ORDERED** that:

- (1) Manas Adams shall pay an administrative penalty of two-thousand dollars (\$2,000.00) within 30 days of the date of this Order.
- (2) Manas Adams shall pay restitution to MetLife in the amount of \$391.05 within 30 days of the date of this Order.

KATHLEEN A. BIRrane
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.