

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

WILLIAM HENRIQUE GONZALEZ AMAYA
5717 Keppler Road
Temple Hills, Maryland 21748

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CASE NO.: MIA-2021-01-022

Fraud Division File No.: R-2020-2521A

ORDER

This Order is issued by the Maryland Insurance Administration (the "MIA") against William Henrique Gonzalez Amaya ("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") for the violations of the Maryland Insurance Article identified and described.

I. Facts

1. Respondent was the named insured on an automobile insurance policy with Progressive Group of Insurance Companies ("Progressive"), an authorized insurer, for his 2016 Honda. The policy was in effect from February 7, 2019 to August 7, 2019. The policy did not afford collision coverage, the type of coverage designed to pay for repairs to the insured's vehicle, in the event of an accident.

2. On June 25, 2019, Respondent notified Progressive that earlier that day, he was involved in an accident with another vehicle. In response, Progressive opened a claim with respect to the asserted loss. Progressive denied payment for repairs to Respondent's insured vehicle because his policy did not include collision coverage.

3. On December 6, 2019, Respondent notified Progressive that he left his insured vehicle parked and unattended. Upon his return, he discovered that his vehicle had been struck by

an unknown vehicle. Progressive opened a claim under the insurance policy's Uninsured Motorist Property Damage ("UMPD") provision, designed to pay to repair damage to the insured vehicle following a hit-and-run accident.

4. On December 9, 2019, a Progressive representative conducted a recorded interview with Respondent who confirmed that on December 6, 2019, his insured vehicle was struck by an unknown vehicle, which caused damage to the front passenger side.

5. On December 9, 2019, a Progressive representative identified Respondent's June 25, 2019 claim wherein Progressive denied coverage to repair his insured vehicle, due to policy coverage limitations.

6. On December 10, 2019, Progressive inspected and photographed the damage to Respondent's vehicle, which he alleged occurred on December 6, 2019.

7. On December 11, 2019, a Progressive representative compared the June 25, 2019 photographs of damage to Respondent's insured vehicle with photographs following Respondent's December 6, 2019 claim. The representative noted the damage appears to be the same in both claims, and "rust" began to appear on the fender, consistent with old damage.

8. On December 13, 2019, a Progressive representative conducted a recorded interview with Respondent. In the interview, Respondent reported that the damage to his vehicle had not occurred prior to December 6, 2019. The Progressive representative specifically asked Respondent whether there was any damage to his vehicle previous to this month [December], to which Respondent replied "No."

9. On December 21, 2019, a Progressive representative conducted a recorded interview with Respondent. The Progressive representative advised Respondent that the damage to his insured vehicle appeared "very similar to damage" he reported in another claim. Respondent

replied that he fixed that damage at a “body shop” in Manassas, Virginia, but he does not have a receipt, nor does he recall the name of the shop.

10. On January 8, 2020, a Progressive representative conducted a recorded interview with Respondent wherein he identified the Manassas, Virginia automobile repair facility he purportedly had his vehicle repaired following the June 25, 2019 accident. A Progressive representative called the repair facility. A representative advised there were no records of the facility making repairs to Respondent’s vehicle. Consequently, Progressive referred Respondent’s claim to its Special Investigations Unit (“SIU”) for further investigation.

11. On January 9, 2020, a Progressive investigator examined the photographs of Respondent’s insured vehicle taken following the December 6, 2019 claim. The investigator noted that the photographs depict “dark rust.”

12. On January 14, 2020, a Progressive investigator conducted a recorded interview with Respondent who reiterated that the accident occurred on December 6, 2019. Respondent advised that he paid \$735.00, in cash to repair the damage from the June 25, 2019 accident and his insured vehicle had no damage prior to December 6, 2019.

13. A Progressive investigator completed a “side-by-side” comparison of the photographs from the June, 25, 2019 claim with those taken following the December 6, 2019 claim and concluded the damage was the same.

14. Therefore, having a good faith belief that Respondent committed insurance fraud, Progressive referred the matter to the Administration under Section 27-802(a)(1) of the Maryland Insurance Article, which 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.

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

16. An MIA investigator compared the damage photographs of the damage to Respondent's insured vehicle following the June 25, 2019 claim with the photographs taken following the December 6, 2019 claim. The MIA investigator concluded the damage was the same, and rust had developed, which is visible in the in the photographs from the December 6, 2019 claim.

17. On October 26, 2020, an MIA investigator contacted the repair facility where Respondent alleged that he repaired his vehicle. The owner of the body shop advised that he did not have a record of performing repairs to Respondent's vehicle.

II. Violation(s)

18. In addition to all relevant sections of the Maryland Insurance Article, which apply to acts and omissions of the Respondent in the State.¹

19. **Section 27-403** of the Insurance Article provides, in pertinent part:

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. **Section 27-408(c)** of the Insurance Article provides, in pertinent part:

(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

¹ The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision.

* * *

(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 violated § 27-403. The fraudulent insurance act of making false statements 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 he made false statements to Progressive. As such, Respondent is subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

III. Sanctions

22. 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.

23. Having considered the factors set forth in § 27-408(c)(2), the MIA imposes an administrative penalty in the amount of \$1,500.00 against Respondent.

24. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by immediately payable funds and shall identify the case by number (R-2020-2521A) and Respondent's name (William Henrique Gonzalez Amaya). 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 Respondent, including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to Respondent's right to request a hearing, it is this 28th day of January 2021, **ORDERED** that:

William Henrique Gonzalez Amaya shall pay an administrative penalty of One Thousand Five Hundred dollars (\$1,500.00) 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.