

MARYLAND INSURANCE ADMINISTRATION

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ADMINISTRATION

EX REL B.W.G.,

Complainant

v.

STATE FARM FIRE & CASUALTY
COMPANY,

Licensee.

* REVIEW OF A RECOMMENDED
* DECISION ISSUED BY
* JENNIFER M. CARTER JONES,
* AN ADMINISTRATIVE LAW JUDGE
* OF THE MARYLAND OFFICE OF
* ADMINISTRATIVE HEARINGS
* OAH No.: MIA-CC-33-22-04786
* MIA No.: MIA-2023-01-009

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FINAL ORDER

Pursuant to Md. Code Ann., Ins. § 2-210(d)¹ and Code of Maryland Regulations (COMAR) 31.02.01.10-2H, the undersigned Maryland Insurance Commissioner hereby clarifies the disposition and issues this **summary affirmance** of the proposed decision below.

On May 17, 2022, the MIA received a complaint from B.G.W. (hereinafter “Complainant”) alleging unfair claim settlement practices by State Farm Fire and Casualty Company (hereinafter “Licensee”). The MIA investigated the Complaint, and on January 12, 2023, it issued a determination letter concluding that the Licensee did not violate Maryland’s insurance laws in its denial of the Complainant’s claim for damages arising from a motor vehicle accident that occurred on April 22, 2022. Specifically, the MIA concluded that Licensee’s denial of the Complainant’s claim was not

¹ Unless otherwise noted, all statutory references are to the Insurance Article of the Annotated Code of Maryland.

arbitrary and capricious, lacking in good faith, or otherwise in violation of the Maryland Insurance Article. The determination letter referenced Sections 4-113 (b) (5), and 27-303 (2), and (6) of the Annotated Code of Maryland, Insurance Article. The Complainant requested a hearing, which was granted on January 13, 2023. This matter was then transmitted to the Office of Administrative Hearings (“OAH”) to conduct a contested case hearing and to issue a Proposed Decision pursuant to COMAR 31.02.01.04-1A. In its referral to the OAH, the MIA noted that specific attention at the hearing would be directed to the Annotated Code of Maryland, Insurance Article, Sections 4-113 and 27-303 (2) and (6).

On April 21, 2023, a hearing was held before Administrative Law Judge (ALJ) Jennifer M. Carter Jones. On May 18, 2023, ALJ Carter Jones issued a Proposed Decision setting forth factual findings and conclusions of law with respect to 4-113(b)(5) and 27-303(2). On the same date, OAH mailed the Proposed Decision to the Parties in this case. Attached to the Proposed Decision was the notice regarding the Right to File Exceptions, which advised the Parties that, pursuant to COMAR 31.02.01.10-1, they had the right to file written exceptions with the Undersigned within twenty (20) days from receipt of the Proposed Decision. Neither Party filed exceptions in this case.

I have carefully evaluated the documentary record in this case and the Proposed Decision by ALJ Carter Jones. Based on this review, I am persuaded that ALJ Carter Jones’ Conclusion of Law that Licensee did not violate Sections 4-113 (b)(5), and 27-303(2) is correct, and, pursuant to COMAR 31.02.01.10-2D, hereby affirm this finding.

On page 9 of the Proposed Decision ALJ Carter Jones orders that “the Licensee not be found in violation of sections 27-303(2), and (6) and 4-113 of the Insurance Article and that the charges made by the Complainant be **DENIED AND DISMISSED.**” I find it necessary to clarify the

disposition of the case. Rather than dismissing the Complaint, I conclude that the determination issued by the Maryland Insurance Administration shall be hereby **AFFIRMED** based on the Findings of Fact and Discussion provided by ALJ Carter Jones.

I further find, pursuant to COMAR 31.02.01.10-2(C)(2), that ALJ Carter Jones' Findings of Fact and Summary of the Evidence clearly support a finding that Licensee did not violate Section 27-303(6). Specifically, the ALJ's Summary of Fact and Evidence demonstrate that Licensee investigated the accident giving rise to Complainant's claim. ALJ Carter Jones noted that the Licensee interviewed the complainant and the insured, reviewed photographs and the police report. Based upon its investigation, the Licensee advised Complainant on May 12, 2022, (Lic. Ex. 1) that he was at fault for the accident. As such, the Complainant did not demonstrate that Licensee failed to provide promptly on request a reasonable explanation of the basis of a denial of a claim.

THEREFORE, it is hereby

ORDERED that, as a matter of law, it be found that Licensee did not violate Sections 4-113, and 27-303(2) and (6),

ORDERED that the determination issued by the Maryland Insurance Administration is hereby **AFFIRMED** based on the Findings of Fact and Discussion provided by ALJ Osborn,

ORDERED that the Proposed Decision of ALJ Carter Jones be adopted as the Commissioner's Final Order, and it is further,

ORDERED that the records and publications of the Maryland Insurance Administration reflect this decision.

It is so **ORDERED** this 28th day of July 2023.

KATHLEEN A. BIRRANE

Commissioner

signature on original

ERICA J. BAILEY

Associate Commissioner for Hearings