

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

DONTE ZENAR KELLER
6423 Livingston Road, Apt. 201
Oxon Hill, Maryland 20745

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA- 2018-07-010

Fraud Division File No.: R-2018-3190A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Donte Zenar Keller (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (“Insurance Article”).

I. Facts

1. Respondent had automobile insurance with The Progressive Corporation, (“Progressive”), an authorized insurer, for his 2006 Lincoln. Respondent’s policy afforded uninsured motorist property damage (“UMPD”) coverage to pay for damages if his vehicles was damaged in a hit-and-run accident or by an uninsured motorist. Respondent’s insurance policy did not include collision coverage, to pay for repairs of his own vehicle after an accident. The policy was in effect from April 18, 2017 through April 18, 2018.

2. On March 20, 2018, Respondent notified Progressive that earlier that day an unknown vehicle struck his vehicle while it was parked and unoccupied, causing damage to the front bumper, grille, and headlight assembly. Respondent advised he did not call the police and there was no prior damage to his vehicle. Progressive opened a claim.

3. Later that same day, a Progressive representative identified a claim made to Progressive thirteen days earlier for a loss occurring on March 7, 2018, in which Respondent was operating his insured vehicle when he struck another vehicle.

4. On March 21, 2018, a Progressive representative photographed Respondent's vehicle. The photographs depicted damage to the front bumper, grille, and headlight.

5. On March 22, 2018, Progressive referred Respondent's claim to its Special Investigation Unit ("SIU") for further investigation. A Progressive investigator examined Respondent's claim and noted Respondent's policy does not include collision coverage. Further, the investigator compared photographs submitted in the March 7, 2018, claim with those taken in the March 20, 2018, claim. The investigator concluded the damages were the same, other than the headlight in the March 20th claim was "hanging out more."

6. On March 26, 2018, a Progressive investigator conducted a recorded interview with Respondent who reported that on March 20, 2018, his insured vehicle was struck; the headlight was knocked out of place, and the bumper and grille were damaged. Respondent advised his vehicle was not damaged in the March 7, 2018, accident. The investigator advised that she compared the photographs from the March 7, 2018, claim with photographs from the March 20, 2018, claim and concluded they were the same, other than the headlight in March 20th claim was "hanging down a little bit more, but it was already out of place from this last loss on March 7th." Respondent replied he was able to put the headlight in. The investigator advised that her examination of the photographs revealed no new damage, Respondent replied "OK."

7. On May 25, 2018, Progressive sent a denial letter to Respondent as its investigation revealed that Respondent misrepresented damages in an effort to gain coverage.

8. 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.

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

10. On June 13, 2018, an MIA investigator compared the March 7, 2018, photographs of Respondent's vehicle with photographs taken following the March 20, 2018, claim and concluded the damages were the same.

11. On June 19, 2018, an MIA investigator interviewed the driver of the vehicle Respondent struck on March 7, 2018. He confirmed submitting photographs of Respondent's vehicle to Progressive, which were used to compare the March 7th damage to the damage reported by Respondent as have occurred on March 20th.

12. On June 25, 2018, Progressive sent Respondent a letter advising him that "there is no coverage for the loss on March 20, 2018" as their investigation revealed that Respondent "misrepresented damages in an effort to gain coverage."

II. Violation(s)

13. 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:

14. **§ 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[.]

15. § 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.

16. By the conduct described herein, Respondent knowingly violated § 27-403. Because the 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 he made a false statement to Progressive in support of his claim. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

17. 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.

18. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA has determined that \$1,500.00 is an appropriate penalty.

19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-0986A) and name (Donte Zenar Keller). Unpaid penalties will be referred to the Central Collections Unit for collection. 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.

20. 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 10th day of July 2018, **ORDERED** that:

Donte Zenar Keller 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: Hearings and Appeals Coordinator. 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.