

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

LATANGALA COLLINS
37 Leatherwood Place, Apt. F
Rosedale, Maryland 21237

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-08-015

Fraud Division File No.: R-2018-2021A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Latangala Collins (“Collins” or “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. On April 26, 2017, Respondent notified Allstate Insurance Company (“Allstate”), an authorized insurer, that earlier the same day, she was operating her vehicle, in Baltimore County, Maryland, when an Allstate insured driver caused a motor vehicle accident in which Respondent was injured. Allstate opened a claim and accepted liability.

2. On April 27, 2017, a Baltimore, Maryland law firm notified Allstate that it represented Collins for damages as a result of the April 26, 2017, accident.

3. On October 3, 2017, Collins submitted to Allstate, through her attorney, a Lost Wages Claim Form. The form stated Collins worked for a catering company as an assistant cook, earned \$13.50 an hour, and that she missed 240 hours from work as a result of the April 26,

2017, accident, totaling \$3,240.00 in lost wages. The Lost Wages Claim Form identified Collins' supervisor with a telephone number ended in 5867.

4. On December 7, 2017, an Allstate representative attempted to validate the Lost Wages Claim Form submitted by Respondent, and called the telephone number ending in 5867. The person who answered stated she was Collins' supervisor, and Collins worked for the catering company four to five days a week Monday through Friday.

5. On December 7, 2017, an Allstate representative contacted the catering company at a telephone number obtained "online." She spoke with a person who identified himself as the owner. He advised Allstate that Collins was not an employee of his catering company. Consequently, Allstate referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation.

6. On December 11, 2017, an Allstate investigator interviewed the owner of the catering company who checked company pay logs and confirmed that Collins never worked for his catering company.

7. On December 21, 2017, Allstate sent Collins' attorney a letter denying Collins' lost wages claim.

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.

Allstate, 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 Allstate and confirmed its handling of Respondent's claim.

10. On April 24, 2018, an MIA investigator conducted a telephonic interview with the owner of catering company named on the Lost Wages Claim Form submitted by Collins to Allstate. He did not know, and had never employed Collins.

11. On August 10, 2018, an MIA investigator interviewed C.B.¹, the attorney who represented Collins in her third party bodily injury claim. C.B. stated that Collins provided her employment, wage, and leave information over the phone and then Collins took the Lost Wages Claim Form to her supervisor for signature. Collins returned the Lost Wages Claim Form to C.B.'s office.

II. Violation(s)

12. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

13. § 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[.]

14. § 27-408(e)

(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 Initials are used to refer to non-parties to this matter.

* * * *

(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.

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

III. Sanctions

16. 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 that a fraudulent claim has been submitted to an insurer. Insurance Article §§ 2-201(d) (1) and 2-405.

17. 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 for Respondent.

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-2021A) and individual names (Latangala Collins). 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.

19. 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 the right to request a hearing, it is this 14th day of August 2018, ORDERED that:

Latangala Collins 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

signature on original

BY:

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 Respondent in a Final Order after hearing.