

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

DEVONTA TERRELL MASSEY
9 Shirehall Court
Baltimore, Maryland 21220

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-09-00)
Fraud Division File No.: R-2019-3017A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Devonta Terrell Massey (“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. Respondent was a named insured on an automobile insurance policy with Progressive Group of Insurance Companies (“Progressive”), an authorized insurer, for his 2015 Dodge. The policy was in effect from February 10, 2019 through August 10, 2019.

2. On February 11, 2019, one day after obtaining the Progressive insurance policy, Respondent notified Progressive through its internet portal that earlier that day, he was operating his insured vehicle, when he slid on an icy road in La Plata, Maryland, struck a deer, and then hit a tree. Progressive opened a claim.

3. On February 12, 2019, a Progressive representative took a recorded statement from Respondent, who reported it was snowing; he struck a deer that ran into the road, and then slid into a tree. Respondent reported that there was no damage to his insured vehicle prior to this incident, no police report was written and his vehicle was already at a repair facility. Respondent submitted photographs to Progressive of the damages to his vehicle, in which snow was visible.

4. On February 13, 2019, a Progressive representative reviewed Respondent's claim and noted that Respondent obtained the Progressive insurance policy one day prior to making his claim. The photographs submitted by Respondent did not contain metadata, and, the Progressive representative did not recall snow on the date of the accident, as reflected in the photographs submitted by Respondent. Consequently, Respondent's claim was referred to Progressive's Special Investigation Unit ("SIU") for further investigation.

5. On February 14, 2019, a Progressive representative went to the automobile repair facility where the Respondent took his insured vehicle for repairs following the February 11, 2019, alleged accident. A representative for the repair facility reported that on January 14, 2019, the facility prepared a repair estimate for damage to Respondent's 2015 Dodge. The representative provided Progressive with the January 14, 2019, repair estimate.

6. On February 21, 2019, a Progressive representative conducted a recorded interview with Respondent, who confirmed the loss details as previously reported. He advised that he never took his vehicle to the repair facility prior to the February, 2019 accident. Respondent was asked whether all statements he made were true, to which he replied, "yes."

7. On February 21, 2019, a Progressive representative spoke to the manager of the repair facility where Respondent took his insured vehicle following the February 11, 2019, alleged accident. The manager confirmed that Respondent brought his 2015 Dodge in on January 14, 2019, for a written estimate, to be paid out of pocket. Respondent returned February 11, 2019, with the vehicle, and stated that the insurance company was going to pay for repairs.

8. On February 24, 2019, Progressive sent Respondent a letter denying his claim.

9. 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.

10. During the course of its investigation, the MIA investigator contacted Progressive and confirmed the facts regarding its handling of the Respondent's claim.

11. On August 8, 2019, an MIA investigator interviewed the damage appraiser named on the repair facility estimate conducted on January 14, 2019. He confirmed that he prepared the repair estimate for Respondent's 2015 Dodge on January 14, 2019; he examined the photographs Respondent submitted to Progressive following the alleged February 11, 2019 accident and advised it was the same damage he observed on January 14, 2019.

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 the 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(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.

15. By the conduct described herein, Respondent knowingly violated § 27-403. A 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 she made a false statement to Progressive. 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, harmful to consumers because the losses experienced by insurance companies are passed on to consumers in the form of higher premiums. Pursuant to §§ 2-210 (d)(1) and 2-405 of the Insurance Article, the Commissioner has the authority to investigate complaints alleging that a fraudulent claim has been submitted to an insurer.

17. Having considered the factors set forth in § 27-408(c)(2) the MIA has determined that a fine of \$1,500.00 is an appropriate penalty.


18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-3017A) and name (Devonta Terrell Massey). 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.

19. 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 3rd day of September 2019, **ORDERED** that:

Devonta Terrell Massey 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: 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.