

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

RAHMAN WASILAH WHITTINGTON
117 Mike Court
Elkton, Maryland 21921

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2020-09-039

Fraud Division File No.: R-2020-2381A

ORDER

This Order is entered by the Maryland Insurance Administration (the "MIA") against Rahman Wasilah Whittington ("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. Effective January 1, 2020, at 3:32 a.m., Respondent obtained automobile insurance through Progressive Select Insurance Company ("Progressive"), an authorized insurer, for his 2010 Dodge.

2. On January 1, 2020, at 2:49 p.m., Respondent notified Progressive that on the same date, between 6 and 7 a.m., (hours after obtaining the Progressive insurance policy) he struck the rear of another vehicle. Respondent provided the name and phone number for the operator (hereinafter "claimant") of the vehicle he struck. Respondent advised that his vehicle was towed by the State Police. Progressive opened a claim.

3. On January 2, 2020, a Progressive representative interviewed the claimant, who was operating the vehicle struck by Respondent. Claimant reported that on January 1, 2020, at about 3:00 a.m., Respondent struck the rear of his vehicle.

4. The Progressive representative subsequently called Respondent who reported that the accident occurred on January 1, 2020, at “around 6.” He denied that the accident occurred at 3:00 a.m., and stated that the accident occurred after he obtained his Progressive insurance policy. In light of the above information, Progressive referred Respondent’s claim to its Special Investigations Unit (“SIU”) for further investigation.

5. On January 3, 2020, a Progressive investigator interviewed the claimant who again reported that the accident occurred on January 1, 2020, at 3:00 a.m. Following the accident, Respondent presented the claimant with his mobile phone, which displayed a screenshot of a “lapsed” Progressive insurance policy. Claimant photographed Respondent’s mobile phone, which reflected the policy information. Claimant submitted the photograph he took following the accident to Progressive, which was time stamped 2:56 a.m.

6. On January 3, 2020, a Progressive investigator interviewed Respondent who reported that the accident occurred on January 1, 2020, at about 5 or 6:00 a.m. Respondent acknowledged that the claimant took a photograph of his phone. The investigator informed Respondent that the photograph taken by the claimant reflected that it was taken at 2:56 a.m. Respondent denied the claimant’s account.

7. On January 7, 2020, Progressive sent a letter to Respondent denying his claim. The letter stated, in part:

The investigation to date reveals that the date/time of loss was misrepresented to Progressive in order to gain insurance coverage for the damages. Thus, the Company will not be responsible to pay for this part of the loss.

8. Section 27-802(a)(1) of the 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 Respondent's claim file to the MIA, Fraud Division.

9. In the course of its investigation, an MIA investigator contacted Progressive and confirmed of the facts stated above regarding Respondent's claim.

10. On August 19, 2020, an MIA investigator contacted the claimant. He reported that the accident occurred on January 1, 2020, before 2:56 a.m. He confirmed that after the accident he took a photograph of Respondent's mobile phone, which contained a screenshot of a lapsed Progressive insurance policy. The photograph was taken at 2:56 a.m.

11. An MIA investigator examined a copy of the Delaware State Police tow slip, wherein it was documented that Respondent's vehicle was towed on January 1, 2020, at 5:54 a.m., from interstate I- 95; the driver was unknown.

II. Violation(s)

12. By engaging in the conduct described above, the MIA finds that Respondent violated § 27-403 of the Maryland Insurance Article, which states:

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 engaging in the conduct described herein, Respondent knowingly violated § 27-403. 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. As such, Respondent is, therefore subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

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

17. Having considered the factors stated in § 27-408(c)(2) of the Insurance Article, the MIA has determined that \$1,500.00 is an appropriate penalty amount.

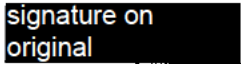
18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2020-2381A) and name (Rahman Wasilah Whittington). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 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 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 24th day of September 2020, **ORDERED** that:

Rahman Wasilah Whittington 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: 
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.