

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

BRITTANY NICOLE COATES  
106 Warfield Road  
Glen Burnie, MD 21060

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO.: MIA-2020-10-007

Fraud Division File No.: R-2020-2491A

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**ORDER**

This Order is issued by the Maryland Insurance Administration (“MIA”) against Brittany Nicole Coates (“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. On December 9, 2019, at 6:00 p.m. Respondent obtained automobile insurance with Agency Insurance Company (“AIC”), an authorized insurer, through Kling Insurance, LLC, (“Kling”) for her 2016 Nissan. The policy went into effect on December 9, 2019, at 6:18 p.m.

2. On December 18, 2019, nine days after Respondent’s policy took effect, Respondent notified AIC that earlier the same day, she discovered that her insured vehicle, which had been parked and unattended was struck by another vehicle, which fled. Respondent submitted photographs to AIC of the damage to the driver’s side front fender, grille, bumper, and hood. AIC opened a claim.

3. On December 18, 2019, an AIC representative requested the assistance of AIC’s Special Investigations Unit (“SIU”). Subsequently, an AIC investigator discovered Maryland Court Judiciary records indicating that on December 9, 2019, at 6:01 p.m., (17 minutes before Respondent’s AIC insurance policy took effect at 6:18 p.m.), Respondent was operating her 2016 Nissan, when a Baltimore County

police officer issued her several citations, including, "failure to properly...locate headlamps on motor vehicle," which the AIC investigator noted was an indication of prior damage.

4. The AIC investigator interviewed the Baltimore County police officer who confirmed that he stopped Respondent because her vehicle was missing a headlamp. During the traffic stop, the officer asked Respondent for her insurance information, to which she advised him that she needed to make a call to get it. The officer stated that she appeared to have been applying for automobile insurance during the traffic stop.

5. On December 19, 2019, an AIC representative obtained a recorded statement from Respondent, wherein she stated that her insured vehicle was damaged on the night of December 17, 2019, by a hit and run driver. Respondent stated that her vehicle was not damaged prior to that date.

6. On December 19, 2019, AIC made a formal referral of Respondent's claim to its SIU for further investigation.

7. On January 6, 2020, an AIC investigator examined the police officer's body worn camera ("BWC") video footage of the December 9, 2019, traffic stop. The investigator concluded that the damage Respondent reported to have occurred on December 17, 2019, was "clearly" visible in the December 9, 2019 BWC video. During the officer's attempts to verify that Respondent had automobile insurance, she presented her cell phone to show the officer an email from AIC with her insurance information, which reflected that she had insurance with AIC. The officer asked, is this something she was signing up for right now, "[B]ecause that's what that looks like?"

8. On January 14, 2020, AIC sent a letter to Respondent denying her claim. The letter stated in part:

...The policy was bound at 6:18 P.M. on December 9, 2019. After viewing the officer's body camera video from your December 9, 2019 at 6:01 pm traffic stop, we have determined the damages being claimed predate this insurance policy. Given the aforementioned, we must respectfully deny coverage for the damages being claimed.

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.

AIC, 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, an MIA investigator contacted AIC and confirmed the facts regarding its handling of Respondent's claim.

11. On September 4, 2020, an MIA investigator interviewed a representative for Kling who reported that on December 9, 2019, at 12:10 p.m., Respondent called Kling's office but did not speak to anyone. Respondent called again, between 3 and 3:30 p.m. and advised Kling's office that she wanted to obtain an automobile insurance policy either "today or tomorrow morning. Respondent did not obtain an insurance policy at that time. Finally, at around 6:00 p.m., on December 9, 2019, Respondent called Kling's office again and obtained automobile insurance for her Nissan.

12. An MIA investigator examined the BWC video of Respondent's December 9, 2019, traffic stop. The video clearly reflected body damage, which appeared to be the same damage depicted in the photographs Respondent submitted to AIC, which she alleged occurred the night of December 17, 2019, and contrary to her statement to AIC that her vehicle was not damaged prior to December 17, 2019.

13. An MIA investigator obtained True Test copies of Respondent's December 9, 2019, traffic charges from the District Court of Maryland, confirming Respondent was charged by a Baltimore County, Maryland police officer with various traffic violations.

## II. Violation(s)

14. 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:

15. § 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.

16. § 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

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(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.

17. At the time Respondent reported the damage to her vehicle, Respondent was aware that the vehicle was damaged prior to the time the policy became effective. 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 false statements to AIC. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

### III. Sanctions

18. 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. As authorized by §§ 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.

19. 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.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2020-2491A) and name (Brittany Nicole Coates). 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.

21. 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 7<sup>th</sup> day of October 2020, **ORDERED** that:

Brittany Nicole Coates 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:

signature on  
original

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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.