

Progressive, a video as well as photographs of the damage his insured vehicle is alleged to have sustained as a result of the December 11, 2020 accident.

4. On December 17, 2020, Progressive referred Respondent's claim to its Special Investigation Unit ("SIU") to verify coverage, as the accident was reported to have occurred within ten days of the effective date of Respondent's Progressive insurance policy.

5. A Progressive representative performed an Insurance Services Office ("ISO") search and discovered that on November 26, 2020, Respondent had a "prior similar loss," [claim] with the Government Employees Insurance Company ("GEICO").

6. On December 17, 2020, a Progressive investigator conducted a recorded interview with Respondent, who confirmed that the accident occurred on December 11, 2020 on Interstate 495 in Capital Heights, Maryland. Respondent reported that he owned the insured Acura for about six months. The vehicle had not been involved in any accidents, and had no damage prior to December 11, 2020. The Progressive investigator confronted Respondent concerning the November 26, 2020 claim he made to GEICO. Respondent replied, there was no damage to his vehicle as a result of the November accident. Respondent stated that the damage that occurred on December 11, 2020, is not related to the November 26, 2020 accident.

7. On December 18, 2020, a Progressive investigator interviewed the owner ("claimant") of the vehicle involved in the November 26, 2020 accident. Respondent was operating his Acura when he rear-ended a Toyota Highlander ("claimant vehicle"). Claimant reported that his *au pair* was operating the vehicle when it was struck by Respondent's Acura. Claimant submitted a photograph of his vehicle to Progressive, and a photograph of Respondent's Acura. The photographs were taken following the November 26, 2020 accident. The photographs contained metadata, confirming they were taken on November 26, 2020. The Progressive

investigator compared the photographs submitted by the claimant, taken following the November 26, 2020 accident, with photographs submitted by Respondent, following the alleged December 11, 2020 accident. The investigator concluded the damage was the same.

8. Therefore, having a good faith belief that Respondent committed insurance fraud, Progressive Group of Insurance Companies referred the matter to the Administration under Section 27-802(a)(1) of the Maryland Insurance Article, which 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.

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

10. On March 5, 2021, an MIA investigator obtained the November 26, 2020, GEICO claim file, wherein Respondent was operating his Acura and struck the claimant's vehicle. The MIA investigator compared photographs contained within GEICO's claim file with photographs Respondent submitted to Progressive following the December 11, 2020 accident. The comparison revealed that the damage Respondent reported as occurring on December 11, 2020, was the same damage, which occurred on November 26, 2020.

II. Violation(s)

11. In addition to all relevant sections of the Maryland Insurance Article, which apply to acts and omissions of the Respondent in the State.

12. **Section 27-403** of the Insurance Article provides, in pertinent part:

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[.]

13. Section 27-408(c) of the Insurance Article provides, in pertinent part:

(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.

14. By the conduct described herein, Respondent 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 stated to Progressive's representative that he had no prior accidents, and that the damage occurred on December 11, 2020, when the damage actually occurred on November 26, 2020, before he had insurance coverage through Progressive. Respondent is subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

III. Sanctions

15. 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.

16. Having considered the factors set forth in § 27-408(c)(2), the MIA imposes an administrative penalty in the amount of \$1,500.00 against Respondent.

17. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by immediately payable funds and shall identify the case by number (R-2021-2317A) and Respondent's name (George Edward Jones, III). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud & Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

18. 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 Respondent's right to request a hearing, it is this 6th day of April 2021, **ORDERED** that:

George Edward Jones, III 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

signature on original

BY:

STEVE WRIGHT
Associate Commissioner
Insurance Fraud and Enforcement 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.