

**IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION**

v.

**HALLEY HAGAN-KRIEBEL
248 Irishtown Road
North East, Maryland 21901-4306**

* **BEFORE THE MARYLAND**
*
* **INSURANCE COMMISSIONER**

* **CASE NO.: MIA- 2023-09-012**

* **Fraud Division File No.: R-2023-3107A**

ORDER

This Order is issued by the Maryland Insurance Administration (the “MIA”) against Halley Hagan-Kriebel (“Respondent”) pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.¹

I. RELEVANT MATERIAL FACTS

1. On October 14, 2022, Respondent applied for motorcycle insurance with Sentry Select Insurance Company ("Sentry"), an authorized insurer, for her 2020 Harley Davidson motorcycle.

Respondent signed the application, which contained the following fraud warning:

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

2. Relying on the truthfulness of the information provided by Respondent within the application, Sentry issued Respondent an insurance policy, which took effect on October 14, 2022, at 1:05 pm ET.

¹ Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

3. On October 26, 2022, Respondent notified Sentry that on October 23, 2022, she was operating her insured motorcycle, when she slid on the wet roadway and laid her “bike down on the left side.” Sentry opened a claim.

4. On October 27, 2023, a Sentry representative interviewed Respondent who reported that she was riding her insured motorcycle when the road was wet, her back wheel slipped out and she went down on the left side. Respondent picked up the motorcycle, but dropped it on the right side. Respondent reported that a friend moved her motorcycle to Eisenhower’s Chesapeake Harley Davidson (“Eisenhower’s”) in Darlington, Maryland.

5. On October 27, 2022, a Sentry representative contacted Eisenhower’s, a representative of which advised that Respondent’s motorcycle was dropped off at Eisenhower’s on October 13, 2022, [one day before Respondent’s Sentry insurance policy took effect] for “crash repairs.” Consequently, Sentry referred Respondent’s claim to its Special Investigations Unit (“SIU”) for further investigation.

6. On November 16, 2022, a Sentry investigator spoke with a representative for Eisenhower’s, who confirmed that Respondent’s insured motorcycle was dropped off at Eisenhower’s on October 12, 2022, for “crash repairs.” The Eisenhower’s representative stated that Respondent advised “her ex purposefully cancelled her insurance and then purposefully wrecked the bike.” An Eisenhower’s representative provided a copy of its intake form for Respondent’s motorcycle, as well as a “Work Order Estimate.” The intake form was dated October 12, 2022, and signed by Respondent. The Work Order Estimate was dated October 13, 2022.

7. On December 6, 2022, Sentry sent a letter to Respondent denying her claim, which stated, in pertinent part:

A claim was reported to Sentry Select Insurance Company for a loss that was reported to have occurred on or before October 12, 2022. It was reported you lost

control of your 2020 Harley Davidson ***. A review of our records indicate policy *** was incepted on October 14, 2022. Our investigation has concluded the accident occurred before the policy was not [*sic*] in effect and we will be unable to cover this loss.

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.

Sentry, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud and Enforcement Division, which opened an investigation.

The MIA's Investigation

9. On August 24, 2023, an MIA investigator spoke with a representative for Eisenhauer's who reported that on October 12, 2022, Respondent brought her 2020 Harley Davidson motorcycle to Eisenhauer's for body damage repairs. Respondent ultimately did not authorize the repairs, and on February 22, 2023, paid \$1,753.50 for storage fees and picked up her motorcycle. .

II. VIOLATION(S):

10. The following provisions of the Maryland Insurance Article apply to acts and omissions of the Respondents in the State.²

§ 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.

² The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

§ 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.

11. By the conduct described herein, Respondent knowingly violated § 27-403(2). 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 violated the Insurance Article when she falsely reported to Sentry that she was involved in an accident on October 23, 2022, when her insured motorcycle had already been damaged at least as early as October 12, 2022. As such, Respondent is subject to an administrative penalty under § 27-408(c).

III. SANCTIONS

12. 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. §§ 2-201(d) (1) and 2-405.

13. 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.

14. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2023-3107A) and name (Halley Hagan-Kriebel). Payment of the administrative penalty shall be sent to the attention of: Joseph E. Smith, Acting 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.

15. 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 your right to request a hearing, it is this 18th day of September 2023, **ORDERED** that:

Halley Hagan-Kriebel 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
JOSEPH E. SMITH
Acting Associate Commissioner
Insurance Fraud & 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: Clerk – Office of Hearings. 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.