

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

GREGORY JEROME MANNS
10928 Water Port Court
Bowie, Maryland 20721

LICENSE NO.: 54729

And

G. MANNS INSURANCE AGENCY, LLC

LICENSE NO.: 2176094

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA- 2016 -01-001

Fraud Division File No.: R-2015-1284A

ORDER

This Order is entered by the Maryland Insurance Administration (“Administration”) against Gregory Jerome Manns (“Manns”) and G. Manns Insurance Agency, LLC (“G. Manns Agency”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)(“the Insurance Article”).

I. Facts

1. The Administration first issued Manns a license (#54729) to act as an insurance producer on June 9, 1992. He is authorized to act as an insurance producer through February 29, 2016.
2. The Administration issued G. Manns Agency an insurance license on August 18, 2015 (#2176094). The license expires on August 18, 2017. Administration records confirm Respondent is the owner and Designated Responsible Licensed Producer for G. Manns Agency.
3. The Administration was notified that a consumer (hereinafter, “J.A.”) purchased liability insurance from Manns, underwritten by United States Liability Insurance Company (“USLIC”), to

provide coverage for his business. J.A. paid Manns \$2,100.00 by check issued to "Manns Ins. Agency." Manns provided J.A. with a receipt to confirm the transaction.

4. On or about April 6, 2015, J.A. received a Notice of Cancellation of Insurance from USLIC advising him that his business insurance policy was canceled for non-payment. Subsequently, J.A. contacted Manns regarding the policy cancellation. Manns advised J.A. he had not remitted the \$2,100.00 insurance premium payment to USLIC but instead used the money to cover his own personal debts.

5. On November 19, 2015, The Administration interviewed Manns who confirmed that he, on behalf of G. Manns Agency, had accepted a \$2,100.00 payment from J.A. for liability insurance underwritten by USLIC. Manns reported he deposited the check into his business account and confirmed that he used J.A.'s liability insurance premium payment to settle his own personal debt(s). No premium payment has been made to USLIC.

II. Violations

6. 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:

7. **§ 10-126(a)**

(a) The Commissioner may deny a license to an applicant under §§2-210 through 2-214 of this article, or suspend, revoke, or refuse to renew or reinstate a license after notice and opportunity for hearing under §§ 2-210 through 2-214 of this article if the applicant or holder of the license:

(1) has willfully violated this article or another law of the State that relates to insurance;

(4) has misappropriated, converted, or unlawfully withheld money belonging to an insurer, insurance producer, beneficiary, or insured;

(6) has committed fraudulent or dishonest practices in the insurance business;

(12) has failed or refused to pay over on demand money that belongs to an insurer, insurance producer, or other person entitled to the money;

(13) has otherwise shown a lack of trustworthiness or competence to act as an insurance producer.

(b)(1) The Commissioner may deny a license to an applicant business entity under §§2-210 through 2-214 of this article, or suspend, revoke or refuse to renew or reinstate a license of a business entity after notice and opportunity for hearing under §§2-210 and 2-214 of this article, if an individual listed in paragraph (2) of this subsection has:

(i) violated any provision of this subtitle;

(2) This subsection applies in any case that involves a business entity if the violation was committed by an individual who is:

(i) an insurance producer;

3. in the case of a corporation, a director, officer, or owner; or

(iii) an individual with direct control over the fiscal management of the business entity.

8. §27-403

It is a fraudulent insurance act for a person:

(1) knowingly to fail to return any moneys or premiums paid for a policy to an insured, designee of the insured, or another person entitled to the moneys or premiums if the insurance contract is not ultimately provided;

(4) to misappropriate or withhold unreasonably funds received or held if the funds represent premiums or return premiums;

9. §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.

10. By the conduct described herein, Manns violated §10-126(a)(1),(4),(6),(12), and (13) and 27-403(1) and (4) of the Insurance Article. By the conduct described herein, G. Manns Agency violated §§ 10-126(b) and 27-403(1) and (4) of the Insurance Article As such, Manns and G. Manns Agency are subject to administrative penalties under the Insurance Article, §§ 10-126(c) and 27-408(c).

III. Sanctions

11. Insurance fraud is a serious violation. The Commissioner may investigate “each person suspected of engaging in insurance fraud.” Insurance Article 2-405.

12. By the facts and violations stated above, the licenses of Manns and G. Manns Agency to act as insurance producers in the State of Maryland are subject to suspension or revocation, and/or the imposition of an administrative penalty, and/or payment of restitution.

13. In view of the gravity of the violations and considering that insurance producers are in a position of trust and responsibility, revocation is an appropriate disciplinary action in this case. The public justifiably expects the Administration to ensure that only trustworthy and competent producers are permitted to conduct insurance business in this State.

14. In addition, having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, the Administration has determined that \$1,000.00 is an appropriate penalty under that statute.

15. Additionally, Manns and G. Manns Agency are ordered to reimburse J.A. in the amount of \$2,100.00.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-1284A) and name (Gregory Manns). Unpaid penalties will be referred to the Central Collections Unit for collection. 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.

17. Notification of reimbursement to J.A. shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or cancelled check issued to J.A. as proof of reimbursement and identify the case by number (R-2015-1284A) and name (Gregory Manns).

18. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Manns and G. Manns Agency, 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 4th day of January 2016, **ORDERED** that:

(1) Gregory Manns and /or G. Manns Agency pay an administrative penalty of \$1,000.00 within 30 days of the date of this Order.

(2) Gregory Manns and/or G. Manns Agency pay restitution to J.A. in the amount of \$2,100.00 within 30 days of the date of this Order.

(3) The producer licenses of Gregory Manns and G. Manns Agency are **REVOKED**;

ALFRED W. REDMER, JR.
Insurance Commissioner

signature on original

BY:

VICTORIA AUGUST
Acting 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 issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Hearings and Appeals Coordinator. 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.