

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

LISA M. LAWS-MYRICK  
664 Rosewood Circle  
Jonesboro, GA 30238

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. MIA-2014-04-034  
Fraud Division File No. R-2015-2543A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Lisa Marie Laws-Myrick “Respondent”) 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. On August 4, 2014, Respondent obtained Tenant Insurance from Erie Insurance Group (“Erie”), an authorized insurer, for her residence located at 4009 Barrington Road, Baltimore, Maryland. The policy period was August 4, 2014 to August 4, 2015.

2. On September 8, 2014, Respondent notified Erie that on August 28, 2014 someone broke into her residence, assaulted her and stole personal property. Respondent advised she called 911 and a police report was written. Erie assigned claim number #010210926777

3. On October 11, 2014, Respondent signed a notarized Proof of Loss, which stated the stolen property was valued at \$42,803.02. By signing the Proof of Loss form Respondent acknowledged the following statement, “Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who 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.”

4. Respondent provided Erie with an itemized list of stolen property, along with supporting documentation, as proof she had owned the property. Respondent’s itemized list included, “2 DELL OPTI GX270 ST252DFD21 (SEE RECEIPT) \$999.95 EACH...PURCHASED BASIC COMPUTERS.” As proof of purchase, she submitted a receipt from Basic Computers for the purchase of two Dell Optiplex GX270 computers. The receipt was signed by Respondent, and reflected a purchase price of \$999.95 plus tax, totaling \$1,059.95.

5. On November 10, 2014, due to the suspicious circumstances related to Respondent’s reported loss as well as the volume of stolen property, Erie referred the matter to its Special Investigations Unit (“SIU”).

6. On November 17, 2014, Erie SIU attempted to verify the information depicted on receipts submitted by Respondent, including the aforementioned receipt from Basic Computers. A representative for Basic Computers advised the original receipt was for a \$105.95 purchase but had been altered to reflect a purchase price of \$1,095.95.

7. On December 4, 2014, Erie sent Respondent a letter advising her of the following:

This entire policy is void as to “**anyone we protect**” if, before or after a loss:

1. “**Anyone we protect**” has intentionally concealed or misrepresented any material fact or circumstance concerning this insurance;
2. there has been fraud or false swearing by “anyone we protect” as to any matter that relates to this insurance or the subject thereof; or
3. “**anyone we protect**” has engaged in fraudulent conduct as to any matter that related to this insurance or subject thereof. In the event of Item 1, 2 or 3, “we” will not pay for any loss.

8. SIU obtained a copy of the Baltimore City Police Department report detailing Respondent’s alleged assault. The Police Report does not contain any mention of Respondent’s

belongings being stolen during the assault. SIU contacted the police detective assigned to investigate the assault, and learned Respondent failed to cooperate with the investigation.

9. On January 7, 2015, Respondent submitted to an Examination Under Oath (“EUO”). When asked about the Basic Computers receipt, Respondent replied she paid \$1,059.95 cash, for the two refurbished dell desktop computers. When confronted by Erie’s counsel with evidence the Basic Computers receipt had been altered, Respondent blamed her son. Ultimately, Respondent refused to sign the EUO transcript and withdrew her claim.

10. Section 27-802(a)(1) of the Maryland Insurance Article states, “An authorized insurer, its employees, fund producers, 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.” Erie, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud Division.

11. During the course of its investigation, MIA contacted Erie and confirmed its handling of Respondent’s claim.

12. MIA contacted the detective assigned to investigate Respondent’s August 28, 2015 assault and she confirmed Respondent failed to cooperate with the investigation in spite of her attempts to contact Respondent.

13. MIA contacted the owner of Basic Computers. The shop owner advised the receipt submitted to Erie by Respondent had been altered to reflect a higher purchase price. He sells used/refurbished computers and had never sold an item valued at \$1,095.95 as reflected on the receipt Respondent submitted. In addition, he searched sales records and found no evidence of additional purchases by Respondent or her son.

14. Respondent was interviewed by an MIA civil fraud investigator and admitted she submitted an altered Basic Computers receipt to Erie in support of her claim, although she blamed her son. Respondent admitted to signing the Basic Computers' receipt. Respondent admitted she submitted the itemized list of missing property to Erie, which included the purchase price of the two Dell computers.

**II. Violation(s)**

15. 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:

16. § 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.

17. § 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.

18. By the conduct described herein, Respondent knowingly violated § 27-403. Because 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 law when she submitted an altered receipt to Erie. As such, she is subject to an administrative penalty under the Insurance Article § 27-408(c).

### **III. Sanctions**

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

20. Respondent made a false statement to Erie when she submitted a false receipt in connection with her property claim. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$1,500.00 is an appropriate penalty.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-2543A) and name (Lisa Marie Laws-Myrick). 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.

22. 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 20<sup>th</sup> day of April 2016, **ORDERED** that:

- (1) Lisa Marie Laws-Myrick pay an administrative penalty of One Thousand-five hundred Dollars (\$1,500.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.  
Insurance Commissioner

signature on original

BY:

NANCY GRODIN  
Deputy Commissioner

### **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.