

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

SHAKIRA SHANTE MORGAN
7953 Sunshine Ct., Apt. C
Glen Burnie, Maryland 21061

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2015-03-014

Fraud Division File No.: R-2015-0164A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Shakira Shante Morgan (“Morgan” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Annotated Code of Maryland (“the Insurance Article”).

I. Facts

1. Respondent obtained automobile insurance for her 2004 Chevrolet on June 29, 2014 at 1:03 p.m. from Government Employees Insurance Company (“GEICO”), an authorized insurer. The policy number was [REDACTED].
2. On June 30, 2014, Respondent contacted GEICO from her home to report that she was driving her insured vehicle when she was the victim of a hit and run accident in Glen Burnie, Maryland on the morning of June 30, 2014 between 8:00 a.m. and 8:30 a.m. GEICO assigned Claim number 0508006610101010.
3. On June 30, 2014, a GEICO claims adjuster referred the Respondent’s claim to its Special Investigations Unit (“SIU”) for investigation, as the accident reportedly occurred the day following policy inception.

4. On July 5, 2014, a GEICO SIU investigator interviewed Respondent in Baltimore, Maryland. Respondent again reported that the accident occurred on June 30, 2014 between 8:00 a.m. and 8:30 a.m., adding that the other involved vehicle was a Land Rover.

5. On July 5, 2014, GEICO declared the Respondent's 2004 Chevrolet a total loss. Consequently, on July 31, 2014, GEICO issued a check for \$4,337.46 to Respondent's automobile finance company under the collision coverage portion of her policy. Additionally, GEICO paid Respondent \$1,174.93 for rental car expenses, for a total payout of \$5,512.39.

6. On August 12, 2014, United Services Automobile Association ("USAA"), an authorized insurer, contacted GEICO and reported that their insured was involved in a motor vehicle accident with Respondent's 2004 Chevrolet on June 29, 2014, in Washington, D.C. Further, the USAA insured's passenger took a photograph of Respondent's vehicle, capturing the license plate number, confirming the identity of the involved vehicle as Respondent's 2004 Chevrolet.

7. On August 12, 2014, USAA faxed to GEICO a copy of the police accident report involving the Respondent's 2004 Chevrolet and the USAA insured's Land Rover. The report was authored by a Metropolitan Police Department ("MPD") police officer for a "Hit and Run" accident. According to the report, the accident occurred on June 29, 2014 at 1:30 a.m.

8. Section 27-802(a)(1) of the Insurance Article states, "An authorized insurer... 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." GEICO, having a good faith belief that Morgan committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

9. MIA confirmed GEICO's handling of the claim as set forth above.

10. MIA contacted the MPD police officer who investigated the accident on June 29, 2014 involving Respondent's vehicle. The officer reaffirmed that the accident report accurately reflected his investigation, which concluded that the Respondent's vehicle struck the USAA insured vehicle, and then fled.

11. MIA confirmed with the driver of the Land Rover that the accident occurred on June 29, 2014 at 1:30 a.m. and that his passenger took a photograph of the Respondent's vehicle as it fled the location.

12. MIA attempted to contact Respondent; however, she terminated the phone call with MIA and has not called back despite additional attempts by MIA to contact her.

II. Violation(s)

13. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that the Respondent violated Maryland's insurance laws:

14. §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.

15. §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.

16. By the conduct described herein, Shakira Morgan violated §27-403 and is subject to an administrative penalty under the Insurance Article.

III. Sanctions

17. 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.

18. Respondent obtained automobile insurance through GEICO after she claimed to be the victim of a hit and run accident – wherein she stated she was the driver. On two separate occasions, she stated to GEICO that the accident occurred after she had obtained coverage. Additionally, Respondent told her insurer the accident happened in Glen Burnie, Anne Arundel County, Maryland when in fact the accident occurred in Washington, D.C., as documented by an official police accident report. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$3,000 is an appropriate penalty.

19. Additionally, the Respondent, Shakira Morgan is ordered to reimburse GEICO \$5,512.39, which is the amount she fraudulently obtained when she falsely reported the date of accident.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-0164A) and name (Shakira Morgan). 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.

21. Notification of reimbursement to GEICO 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 GEICO as proof of reimbursement and identify the case by number (R-2015-0164A) and name (Shakira Morgan).

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 10th day of March 2015, **ORDERED** that:

(1) Shakira Morgan pay an administrative penalty of \$3,000 within 30 days of the date of this Order.

(2) Shakira Morgan pay restitution to GEICO in the amount of \$5,512.39 within 30 days of the date of this Order.

ALFRED W. REDMER JR.
Insurance Commissioner

Signature on original

BY:

CAROLYN HENNEMAN
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: Appeals Clerk. 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.