

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

STEPHANIE MYCHAL WHITE
8931 MATTHEWS COURT
LAUREL, MD 20708

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA- 2015 - 04 - 014

Fraud Division File No.: R-2015-1309A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Stephanie Mychal White (“White” or “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 October 13, 2014, Respondent obtained an automobile insurance policy (number [REDACTED]) from the Maryland Automobile Insurance Fund (“MAIF”), an authorized insurer. The policy was bound at 4:11 p.m. The policy period is from October 13, 2014 to October 13, 2015.

2. On October 14, 2014, at 12:06 p.m., Respondent notified MAIF that on October 13, 2014, at “almost 5 o’clock,” she was involved in a motor vehicle accident with another vehicle, insured by Government Employee Insurance Company (“GEICO”). MAIF assigned claim number V087704.

3. On October 15, 2014, a MAIF employee interviewed the two occupants of the GEICO insured vehicle. Both reported that the accident occurred on October 13, 2014, at 3:32 p.m.

4. GEICO informed MAIF that its insured notified it of the loss on October 13, 2014, at 3:47 p.m.

5. On October 15, 2014, a MAIF employee interviewed Respondent. White stated that the accident occurred on October 13, 2014, between 4:30 p.m. and 5:00 p.m., and not prior to obtaining her MAIF automobile insurance policy.

6. On October 15, 2014, MAIF sent Respondent a denial letter, as the investigation revealed the accident occurred before her insurance policy was bound.

7. Section 27-802(a)(1) of the Maryland Insurance Article states, "An authorized insurer, its employees, producers... or agents, who in good faith have 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." MAIF, having a good faith belief that White committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

8. MIA confirmed MAIF's handling of the claim as set forth above.

9. On January 30, 2015, MIA interviewed the driver and passenger of the GEICO insured vehicle. Both confirmed they were in an accident with Respondent on October 13, 2014, at 3:32 p.m. in Temple Hills, Maryland. The passenger stated she called GEICO from the accident scene.

10. On February 3, 2015, MIA contacted the GEICO adjuster who confirmed its insured notified GEICO on October 13, 2014 at 3:47 p.m., from the accident scene. This is confirmed by the GEICO call log, a copy of which was obtained by MIA.

II. Violation(s)

11. 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:

12. **§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.

13. **§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.

14. By the conduct described herein, Stephanie Mychal White violated §27-403 and is subject to an administrative penalty under 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) and COMAR 31.02.04.02, MIA has determined that \$1,500.00 is an appropriate penalty.

17. Administrative penalties shall be made payable to: Maryland Insurance Administration, and shall identify the case by number (R-2015-1309A) and name (Stephanie Mychal White). 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.

18. 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 13th day of April 2015, **ORDERED** that:

(1) Stephanie Mychal White pay an administrative penalty of \$1,500.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:

Signature on original

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: 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.