

**OFFICE OF THE INSURANCE COMMISSIONER  
MARYLAND INSURANCE ADMINISTRATION**

**W.H.,<sup>1</sup>**

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**Plaintiff,**

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**v.**

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**Case No. 27-1001-23-00014**

**CHUBB INSURANCE SOLUTIONS  
AGENCY, INC.,**

\*

**Defendant.**

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**DECISION AND ORDER**

W.H. (“Plaintiff”) filed a complaint (the “Complaint”) with the Maryland Insurance Administration (the “Administration”) alleging that Chubb Insurance Solutions Agency, Inc. (“Defendant”) breached the terms of an automobile insurance policy and failed to make an informed decision on Plaintiff’s claim based on honesty and diligence. Plaintiff purports to have filed the Complaint under § 27-1001 of the Insurance Article, Md. Code Ann., Ins. § 27-1001 (2017 Repl. Vol.).

For the reasons set forth below, the Administration concludes that it lacks jurisdiction to decide the Complaint.

**I. STANDARD OF REVIEW**

Section 3-1701 of the Courts and Judicial Proceedings Article, Md. Code Ann., Cts. & Jud. Proc § 3-1701 (2020 Repl. Vol.), authorizes the award of special damages to an insured in a civil coverage or breach of contract action if the insured demonstrates that the insurer

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<sup>1</sup> The Maryland Insurance Administration (MIA) uses initials to protect Plaintiff’s privacy.

breached the insurance contract and failed to act in good faith in denying, in whole or in part, a first-party property insurance or disability insurance claim. *Id.* at § 3-1701 (b) and (d).

As a procedural matter, before the insured may seek such special damages in a legal action, the insured must first submit a complaint to the Administration under § 27-1001. The Administration then has ninety (90) days within which to render a decision on the complaint. The provisions of § 3-1701 and §27-1001 apply to claims made by an insured against an insurer, as defined under § 1-101 of the Insurance Article, Md. Code Ann., Ins. § 27-1001 (2017 Repl. Vol.).

## **II. PROCEDURAL BACKGROUND**

On January 4, 2023, the Administration received the Complaint, in which Plaintiff alleges that Defendant issued an automobile insurance policy to Plaintiff providing, among other coverages, Personal Injury Protection (PIP) and Underinsured Motorist Coverage (UIM) coverages. Specifically, Plaintiff alleges that Defendant failed to fully compensate Plaintiff for injuries purportedly caused by an automobile accident that occurred on November 2, 2016. Additionally, Plaintiff alleges that Defendant failed to disclose that Plaintiff was covered under an additional umbrella policy at the time of the automobile accident. As a consequence of Defendant's failure to fully compensate Plaintiff for his injuries and lost wages, as well as Defendant's failure to disclose the additional coverages under an umbrella policy with Defendant, demonstrates a failure to act in good faith.

On January 23, 2023, as required by § 27-1001(d)(3), the Administration forwarded the Complaint and accompanying documents to Defendant by mail. As required by § 27-1001(d)(4), Defendant submitted responsive documents.

### III. FINDINGS OF FACT

These findings of fact are based upon a complete and thorough review of the Complaint and supporting documents submitted by Plaintiff.

1. On November 2, 2016, Plaintiff was involved in an automobile accident in Prince George's County, Maryland. At the time of the accident, Plaintiff was operating a 2014 Chevrolet Traverse and traveling westbound on John Hanson Highway, when a second vehicle operated by C.W. rear-ended Plaintiff's vehicle. As a result of the accident, Plaintiff asserts that he sustained serious injuries, mental anguish, medical expenses in the amount of \$254,459.54, lost wages in the amount of \$310,085.00, and estimated lost future earning capacity between \$721,215.00 to \$2,582,296.00.
2. In Plaintiff's Complaint, Plaintiff asserts that Plaintiff was insured under a policy issued by Defendant, Chubb Insurance Solutions Agency, Inc.
3. However, the evidence demonstrates that at the time of the accident, Plaintiff was insured under an automobile insurance policy (Policy # ending 685-03) issued by Chubb National Insurance Company. The automobile insurance policy issued by Chubb National Insurance Company included Uninsured Motorist (UIM) coverage, with a \$500,000 policy limit for bodily injury and property damage for each occurrence. The policy issued by Chubb National Insurance Company also provided Personal Injury Protection (PIP) coverage. The producer agency listed on the policy issued by Chubb National Insurance Company, at the time of the accident, was Insurance Management Associates.

4. Also at the time of the accident, Plaintiff was insured under an additional policy issued by Federal Insurance Company (Policy # ending 685-02), which provided additional UIM coverage, with a \$1,000,000 policy limit for bodily injury and property damage for each occurrence. The producer agency listed on the policy issued by Federal Insurance Company, at the time of the accident, was Insurance Management Associates.

#### **IV. DISCUSSION**

Section 3-1701 provides “the statutory claim for failure to act in good faith applies to civil actions in which the insured seeks a determination of whether coverage actually exists under an insurance policy.” *St. Paul Mercury Ins. Co. v. Am. Bank Holdings, Inc.*, 819 F.3d 728, 739 (4<sup>th</sup> Cir. 2016); *citing* Md. Code Ann., Cts. & Jud. Proc § 3-1701 (2020 Repl. Vol.). Section 3-1701(a)(5) states, "Good faith" means an informed judgment based on honesty and diligence supported by evidence the insurer knew or should have known at the time the insurer made a decision on a claim. Additionally, under Section 3-1701(a)(6), "Insurer" has the meaning stated in § 1-101 of the Insurance Article. Further, § 1-101 of the Insurance Article states, “Insurer” includes each person engaged as indemnitor, surety, or contractor in the business of entering into insurance contracts.” Finally, Section 3-1701(d)(2) specifically states that the section applies only in a civil action: (2) That alleges that the insurer failed to act in good faith;...”

In the instant case, Plaintiff asserts that Plaintiff was insured under a policy issued by Defendant, Chubb Insurance Solutions Agency, Inc. and that Defendant is an insurer under § 1-101 of the Insurance Article. However, the evidence demonstrates that Plaintiff was insured under an automobile insurance policy issued by Chubb National Insurance Company,

as well as a second policy providing additional coverage issued by Federal Insurance Company. There is no evidence in the record demonstrating Chubb Insurance Solutions Agency, Inc. is an insurer, as that term is defined under § 1-101 of the Insurance Article. Nor is there evidence demonstrating that Chubb Insurance Solutions Agency, Inc. is required under any policy to cover the Plaintiff's claim for damages resulting from the November 2, 2016 accident.

Section 3-1701 does not apply to entities other than insurers; therefore, section 27-1001 does not vest the Administration with jurisdiction to review the actions of the Defendant in this matter.

#### V. CONCLUSIONS OF LAW

As the Plaintiff asserts a claim against an entity other than an insurer, it does not assert a claim that falls within the scope of §3-1701 of the Courts and Judicial Proceedings Article and § 27-1001 of the Insurance Article, and thus is not within the Administration's jurisdiction.

#### ORDER

Based upon the foregoing findings and conclusions, it is the Administration's Decision and Order on this 4<sup>th</sup> day of April 2023, that it is hereby:

**ORDERED** that the Complaint as to Chubb Insurance Solutions Agency, Inc. is DISMISSED; and it is further

**ORDERED** that pursuant to § 27-1001(f)(3), this Decision and Order shall take effect as a Final Order if no administrative hearing is requested or appeal is taken in accordance with § 27-1001(f) and (g).

**KATHLEEN A BIRRANE**

Insurance Commissioner

signature on original

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Erica Bailey, Esquire

Associate Commissioner - Office of Hearings

**APPEAL RIGHTS**

**If a party receives an adverse decision, the party shall have thirty (30) days after the date of service (the date the decision is mailed) of the Administration's decision to request a hearing, which will be referred to the Office of Administrative Hearings for a final decision, or to appeal the decision to the Circuit Court under Title 10, Subtitle 2 of the State Government Article of the Annotated Code of Maryland. Md. Code Ann., Ins. § 27-1001(f) and (g) (2017 Repl. Vol.).**