

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

ALICIA MARIE HARRELL
19 Springtide Court
Middle River, Maryland 21220

*
*
*
*
*
*
*
*
*
*
*

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2017-08-013

Fraud Division File No.: R-2017-2410A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Alicia Marie Harrell (“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 January 25, 2017, Respondent obtained automobile insurance for her 2005 Honda from Government Employees Insurance Company, (“GEICO”), an authorized insurer. The policy went into effect on January 26, 2017, at 12:01 a.m.

2. On January 26, 2017, at 11:17 a.m., Respondent notified GEICO that earlier the same day her insured vehicle was parked and unoccupied at Weis Supermarket (165 Orville Road, Middle River, Maryland). When she returned to her vehicle she discovered it had been damaged. GEICO assigned claim number 0551838530101027. GEICO referred the matter to its Special Investigations Unit (“SIU”) as the claim was made the same date as Respondent’s GEICO policy took effect.

3. On January 31, 2017, a GEICO investigator interviewed Respondent who reported she went to the Weis Supermarket on January 26, 2017, at about 8:00 a.m., and parked her insured vehicle in the rear of the parking lot and entered the store. She returned to her

vehicle at about 8:30 a.m., and noticed a dent on the passenger side rear door. Respondent stated that the supermarket had video cameras but that the cameras did not capture the area where she parked. Respondent went directly to the Baltimore County Police Department in Essex, Maryland, and reported the incident. Respondent stated she had been insured by State Farm Insurance Company (“State Farm”) prior to obtaining her GEICO policy, and switched for better rates.

4. On January 31, 2017, the GEICO investigator interviewed the Weis Supermarket manager at 165 Orville Road, Middle River, Maryland, and examined video footage of the supermarket parking lot for the date and time Respondent stated her insured vehicle had been parked when it was damaged. Contrary to Respondent’s representation, the supermarket’s video camera did cover the area where her insured vehicle was allegedly parked. The investigator noted that the video camera did not observe the Respondent’s vehicle at the location she stated it had been parked. The investigator obtained a copy of the video.

5. On February 7, 2017, the GEICO investigator again interviewed Respondent and showed her a copy of the video footage of the parking lot where she said she parked the vehicle. Respondent was unable to explain why the video failed to show her vehicle. On that same day, she signed a GEICO claim withdrawal form.

6. 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.

GEICO, having a good faith belief that Respondent committed insurance fraud when she reported that her vehicle had been damaged on the effective date of her automobile insurance, referred the matter to the MIA, Fraud Division.

7. During the course of its investigation, MIA contacted GEICO and confirmed its handling of Respondent's claim.

8. On August 11, 2017, an MIA investigator interviewed the GEICO investigator. He advised that when he interviewed Respondent, he requested that she park her vehicle in the same parking spot where it was on January 26, 2017, when it was allegedly damaged. The investigator was able to confirm that the parking lot location where Respondent advised her vehicle was located when it was allegedly damaged was under video surveillance. He examined the video footage for the time frame Respondent reported she parked her vehicle and concluded that Respondent's vehicle was not at the stated location at that time.

9. On August 11, 2017, an MIA investigator contacted State Farm and learned that Respondent's State Farm policy had been cancelled on December 15, 2016, for non-payment of premium, 42 days prior to the effective date of Respondent's GEICO insurance policy.

II. Violation

10. 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:

11. § 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.

12. § 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.

13. 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 committed a violation of the Insurance Article when she made a false statement to GEICO in support of her claim. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

14. Insurance fraud is a serious violation which harms consumers in that 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.

15. By the conduct described herein, Respondent violated § 27-403 and is subject to the imposition of an administrative penalty under the Insurance Article.

16. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA has determined that \$1,500.00 is an appropriate penalty under the statute.

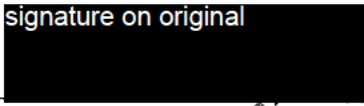
17. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-2410A) and name (Alicia Marie Harrell.) Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall 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 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 22nd day of August 2017, **ORDERED** that:

(1) Alicia Marie Harrell shall pay an administrative penalty of fifteen hundred dollars (\$1,500.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:  signature on original
STEVE WRIGHT
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 served. 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.