

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

TASHA JANELLE DIGGS MURPHY  
1723 Carriage Circle  
Severn, Maryland 21144

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-09-031  
Fraud Division File No.: R-2019-0337A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Tasha Janelle Diggs Murphy, (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.)(“Insurance Article”).

**I. Facts**

1. On July 20, 2018, at 5:29 p.m. Respondent obtained an automobile insurance policy for her 2014 Land Rover Range Rover, from Progressive Select Insurance Company (“Progressive”), an authorized insurer. The policy was in effect from July 20, 2018 through January 20, 2019.

2. On July 21, 2018, Respondent notified Progressive that on July 20, 2018, at about 8:30 p.m., she was operating her insured vehicle on Annapolis Road, Hanover, Maryland, when she was involved in a motor vehicle accident.

3. On July 23, 2018, Respondent provided a recorded statement to a Progressive representative, in which she stated that on July 20, 2018, at about 7:30 p.m., she was stopped at a traffic light on Annapolis Road when the operator of the vehicle in front of her backed into her vehicle causing damage to the front bumper. Respondent took photographs of the damage and exchanged information with the other driver.

4. On July 23, 2018, a Progressive representative conducted a recorded interview with the operator (hereinafter Witness 1<sup>1</sup>), of the other vehicle, involved in the accident with Respondent. Witness 1 stated that on July 20, 2018, between 5:10 and 5:20 p.m. he was merging onto Annapolis Road when Respondent struck the rear of his vehicle. Witness 1 took photographs of the damage and exchanged information with Respondent. Witness 1 later called the Anne Arundel County Police Department and reported the accident. Witness 1 provided Progressive with the photographs he took following the accident.

5. On July 24, 2018, a Progressive representative noted that Respondent advised that the accident occurred at about 7:30 p.m. on July 20, 2018, although Witness 1 advised that the accident occurred at about 5:10 p.m. The representative confirmed Respondent's insurance policy went into effect on July 20, 2018, at 5:29 p.m. An examination of the photographs submitted to Progressive by Witness 1 indicated that Witness 1 took the photographs on July 20, 2018, at 4:48 p.m., 41 minutes before Respondent's Progressive insurance policy took effect. Therefore, the Progressive representative recommended denying coverage.

6. On July 26, 2018, Progressive sent a letter to Respondent denying her claim, which stated:

"We have exhausted all efforts and unfortunately, we have been unable to find coverage for this claim with the information provided to our claims department. Therefore, we will not be providing any coverage for this loss."

7. On July 30, 2018, Progressive sent Respondent another letter, which stated:

"Please be advised that we are investigating the...loss which was reported to Progressive on July 21, 2018. There appears to be a potential coverage problem in that our records do not reflect a policy for Tasha Murphy for the time of loss."

8. Section 27-802(a)(1) of the Maryland Insurance Article states,

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<sup>1</sup> The MIA is protecting the identity of this witness.

An authorized insurer, its employees, fund producers, or 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.

Progressive, having a good faith belief that Respondent committed insurance fraud referred the matter to the MIA, Fraud Division.

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

10. On September 10, 2018, an MIA investigator interviewed Witness 1 who reported he was merging onto Annapolis Road when Respondent struck his vehicle. He took photographs of the vehicles, and upon returning home, he reported the accident to the Anne Arundel County Police Department.

11. On September 12, 2018, an MIA investigator confirmed Witness 1 had automobile insurance with Government Employees Insurance Company ("GEICO"), an authorized insured, at the time of the July 20, 2018 accident with Respondent. The investigator contacted GEICO and a representative advised that according to GEICO's records, Witness 1 reported that the accident had occurred on July 20, 2018, at 5:20 p.m., prior to Respondent obtaining an insurance policy with Progressive.

## **II. Violation(s)**

12. 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:

13. § 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.

14. § 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.

15. By the conduct described herein, Respondent knowingly violated § 27-403. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

**III. Sanctions**

16. 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.

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

18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-0337A) and name (Tasha Janelle Diggs Murphy). 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.

19. 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 28<sup>th</sup> day of September 2018, **ORDERED** that:

Tasha Janelle Diggs Murphy shall 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:

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.