

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

AJAIKA D. MCLEMORE  
102 Woodland Ct. Apt # 3  
Laurel, Maryland 20707  
mclemoreajaika@gmail.com

CASE NO.: MIA- 2023-10-011

Fraud Division File No.: R-2023-3155A

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**ORDER**

This Order is issued by the Maryland Insurance Administration (the “MIA”) against Ajaika D. McLemore (“Respondent”) pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for violations of the Maryland Insurance Article identified and described.<sup>1</sup>

**I. RELEVANT MATERIAL FACTS:**

1. Respondent had automobile insurance with Progressive Insurance Company (“Progressive”), an authorized insurer, for her 2017 Chevrolet. The policy was in effect from December 24, 2022 to March 13, 2023, when it was canceled by Progressive, because Respondent failed to pay her insurance premium.

2. On March 2, 2023, Progressive sent a “Cancellation Notice” to Respondent, which stated:  
Unfortunately, we didn’t receive your payment and, as a result, your policy will be canceled at 12:01 a.m. on March 13, 2023.

Respondent failed to pay the premium. Consequently, on March 13, 2023 at 12:01 a.m. Progressive canceled Respondent’s insurance policy.

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<sup>1</sup> Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

3. On March 14, 2023, Respondent asked Progressive to reinstate her automobile insurance policy. In support of this request, Respondent submitted to Progressive a “Statement of No Loss” (“SNOL”), wherein Respondent affirmed that between on March 13, 2023 at 12:01 a.m. and March 14, 2023 at 12:18 p.m.:

No household member has been involved in any motor vehicle accidents;  
No one operating a vehicle listed on the policy has been involved in an accident;  
No one operating a vehicle listed on the policy has been involved in an accident;  
There has been no damage to or theft of any of the vehicles listed on the policy.

Relying on the information Respondent provided in the SNOL, Progressive reinstated Respondent’s insurance policy.

4. On March 14, 2023, at 12:52 p.m., thirty-four minutes after signing the statement of no loss, Respondent notified Progressive that on March 14, 2023, at 12:20 p.m., two minutes after submitting the SNOL, she was operating her insured vehicle when she had a motor vehicle accident with another vehicle. Progressive opened a claim.

5. On March 14, 2023, Respondent submitted to Progressive a photograph she took of the insurance information for the driver with whom she had the accident. The insurance information was displayed on the other driver’s mobile phone, and depicted the time as 12:07 p.m., prior to Respondent’s insurance policy reinstatement request and her submission of the SNOL. Progressive, therefore, referred Respondent’s claim to its Special Investigations unit (“SIU”) for further investigation.

6. A Progressive investigator examined the metadata contained within the photograph Respondent submitted to Progressive, and confirmed that the photograph was taken on March 14, 2023 at 12:07 p.m., prior to the time Respondent submitted the SNOL, and before the Progressive policy was reinstated.

7. On April 10, 2023, Progressive sent Respondent a “Nonrenewal Notice” which stated, in particular part:

Please know that your policy will expire as of 12:01 a.m. on June 24, 2023. Unfortunately, you will not receive an offer to renew because: You or another named insured concealed or misrepresented a material fact or circumstance, or engaged in fraudulent conduct, in connection with your Statement of No Losses.

8. On April 13, 2023 Progressive sent a letter to Respondent denying her March 14, 2023 claims. The letter stated in part:

... The investigation to date reveals that a false statement of no loss was taken to reinstate your auto policy. Thus, the Company will not be responsible to pay for this part of the loss.

9. Section 27-802(a)(1) of the Maryland Insurance Article states:

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 and Enforcement Division, which opened an investigation.

#### **The MIA's Investigation**

10. On August 8, 2023, an MIA investigator reviewed the metadata contained within the photograph Respondent submitted to Progressive and confirmed that the metadata reflected that the photograph was taken on March 14, 2023 at 12:07 p.m., which was before Respondent submitted the SNOL, and before the Progressive insurance policy was reinstated.

11. On August 8, 2023, an MIA investigator interviewed the Respondent who admitted to signing and submitting the SNOL after the date and time of the accident. Respondent agreed to admit guilt and pay a fine.

**II. MARYLAND INSURANCE LAWS:**

**12.** The following provisions of the Maryland Insurance Article apply to acts and omissions of the Respondents in the State.<sup>2</sup>

**§ 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.

**§27-406**

It is a fraudulent insurance act for a person:

(1) knowingly or willfully to make a false or fraudulent statement or representation in or with reference to an application for insurance;

**§ 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.

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<sup>2</sup> The failure to designate a particular provision in this Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

13. By engaging in the conduct described herein, Respondent knowingly violated §§ 27-403 and 27-406. The fraudulent act of making a false statement on an insurance application, or in support of a claim is complete upon making the false statement, and is not dependent on any payment in fact being made by the insurer. Respondent violated the Insurance Article when she falsely reported to Progressive that she was involved in an accident on March 14, 2023 after reinstating her Progressive insurance policy, and providing false information on the SNOL. Respondent is, therefore, subject to an administrative penalty under § 27-408(c).

### III. SANCTIONS:

14. Insurance fraud is a serious violation, which harms consumers in that all losses suffered by insurance companies are passed on to consumers in the form of increased premiums. The Commissioner has the authority to investigate any complaint which alleges that a fraudulent claim has been submitted to an insurer, §§ 2-201(d) (1) and 2-405.

15. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that it is appropriate to impose a penalty of \$1,500.00 against Respondent.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2023-3155A) and name (Ajaika D. McLemore). Payment of the administrative penalty shall be sent to the attention of: Joseph E. Smith, Acting Associate Commissioner, Insurance Fraud & Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

17. 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 16th day of October 2023, **ORDERED** that:

Ajaika D. McLemore shall pay an administrative penalty of One-Thousand Five Hundred Dollars (\$1,500.00) within 30 days of the date of this Order.

KATHLEEN A. BIRRANE  
Insurance Commissioner

BY: **signature on original** \_\_\_\_\_  
JOSEPH E. SMITH  
Acting Associate Commissioner  
Insurance Fraud & Enforcement 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: Executive Assistant to the Deputy Commissioner. 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.