

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

DARRYL L. HINES  
8803 Groffs Mill Drive  
Owings Mills, MD 21117

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA- 2016-05-002  
Fraud Division File No.: R-2016-2642A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Darryl L. Hines (“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 November 19, 2015, Respondent was operating his Toyota Land Cruiser when he was struck by a vehicle insured by Allstate Insurance Company (“Allstate”), an authorized insurer. Respondent notified Allstate of the accident with its insured. Claim number 0392263679 was assigned.

2. On January 26, 2016, Respondent requested that Allstate reimburse him for rental car expenses. He submitted an apparent Rent-A-Wreck rental car receipt to Allstate for \$2,115.91. The rental term was from November 23, 2015 to December 14, 2015.

3. Allstate called the Rent-A-Wreck store at the phone number listed on the receipt to confirm Respondent’s rental charges; the calls went unanswered. Allstate learned that the address noted on the receipt, 5160 Baltimore National Pike, was not a Rent-A-Wreck retail location. Consequently, the matter was referred to Allstate’s Special Investigations Unit (“SIU”).

4. SIU contacted Rent-A-Wreck at one of its corporate phone numbers. A Rent-A-Wreck representative advised the rental record number listed on Respondent's receipt was not a valid number.

5. Upon further review of the Rent-A-Wreck receipt an Allstate representative noticed the net amount listed is \$2,115.91 and \$1,609.00 is the taxable subtotal, sales tax included is \$185.03, which is equivalent to an 11.49% sales tax. Maryland has a 6% sales tax.

6. SIU contacted the business located at 5160 Baltimore National Pike and learned it was a home buying service, which has been at that location for five years. The business did not rent cars. SIU identified the property owner as D.F., whose mailing address was the same as Respondent's.

7. On February 16, 2016, Respondent provided a recorded statement to SIU in which he advised he rented a vehicle from Rent-A-Wreck. He reported he picked the rental car up from 5160 Baltimore National Pike, and returned it to the same location. Respondent denied knowing D. F. and denied she was related to him.

8. On February 19, 2016, Allstate advised Respondent his claim was denied for material misrepresentation as the rental receipt he submitted was "not valid."

9. Section 27-802(a)(1) of the 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.

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

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

11. MIA contacted a representative of Rent-A-Wreck who reviewed the receipt submitted by Respondent. She advised the receipt was a fake, and Respondent last rented a vehicle from Rent-A-Wreck in 2012.

12. MIA contacted D.F. She confirmed she owns 5160 Baltimore National Pike. She identified Respondent, as her ex-son-in-law, and the current property manager for 5160 Baltimore National Pike.

## II. Violation(s)

13. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

14. **§ 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.

15. **§ 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.

16. 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**

17. 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.

18. Respondent submitted a fictitious receipt and made false statements in support of his claim to obtain reimbursement for a rental vehicle. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA has determined that \$3,000.00 is an appropriate penalty.

19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-2642A) and name, (Darryl L. Hines). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Deputy Commissioner, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

20. 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.

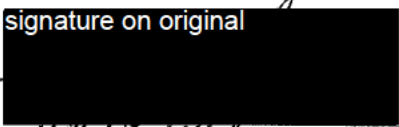
**WHEREFORE**, for the reasons set forth above, and subject to the right to request a hearing, it is this 3<sup>rd</sup> day of May 2016, **ORDERED** that:

(1) Darryl L. Hines shall pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.  
Insurance Commissioner

signature on original

BY:

  
NANCY CRODIN  
Deputy Commissioner

**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 Respondent in a Final Order after hearing.