

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

CHARLES EUGENE COUSIN  
1327 W. Fayette St., Apt. 3  
Baltimore, Maryland 21223

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CASE NO.: MIA- 2021-04-006

Fraud Division File No.: R-2020-3526A

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**ORDER**

This Order is issued by the Maryland Insurance Administration (the “MIA”) against Charles Eugene Cousin (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the “Insurance Article”) for the violations of the Insurance Article identified and described.

**I. Facts**

1. On November 26, 2019, Respondent obtained a renter’s insurance policy from Lemonade Insurance Company (“Lemonade”), an authorized insurer, for his residence in Baltimore, Maryland. The policy was in effect from November 26, 2019 to November 26, 2020.

2. On November 28, 2019, Respondent notified Lemonade that he discovered that his apartment had been burglarized and items were missing.

3. On December 3, 2019, a Lemonade representative recommended that Respondent’s claim be referred to its Special Investigation Unit (“SIU”), due to “multiple flags.” Specifically, the date of loss occurred within one week of the policy going into effect.

4. On December 5, 2019, Respondent submitted to Lemonade a receipt for the purchase of a \$5,999.00 Canon Camera, he alleged was stolen from his apartment. The retailer was identified as B & H Photo – Video, Inc., (“B & H”), located in New York, NY. The receipt number ended in 8320.

5. A Lemonade representative examined the B & H receipt, and noted, among other things, the purchase date on the first page was December 8, 2019, ten days after the alleged theft, but the purchase date on the second page was December 8, 2018.

6. On December 13, 2019, Respondent provided a recorded statement to Lemonade, wherein he reported that on November 28, 2019, upon returning home, he discovered his front door was unlocked, and someone had stolen, among other things a Canon camera, which he purchased from B & H.

7. On January 23, 2020, in response to Lemonade's request for the original receipts, Respondent replied, "I sent you everything I have, the camera receipt I believe is the original receipt."

8. On February 11, 2020, in an effort to authenticate the B & H Canon Camera receipt, a Lemonade representative sent the receipt to B & H customer service, and asked B & H to confirm the order and date of purchase. In response, B & H advised it was a quote, which was never paid for, and did not match their quote, under the number ending in 8320.

9. On March 17, 2020, Lemonade sent Respondent a letter denying his claim, which stated:

After reviewing the proof of purchase submitted by you and contacting the retailer B&H Photos, it was confirmed that the order number on the purchase receipt for the Canon DSLR camera was not a valid purchase order, and was instead for a quote which was never paid for.

Intentionally concealing or misreporting material facts, providing invalid or altered documentation, or making false statements in connection to a policy or claim, is considered misrepresentation, and it is grounds for your claim to be denied. Please note that Lemonade has a responsibility to report this event to the Texas (*sic*) [Maryland] Department of Insurance, and we will be sending a copy of our file to the state for further investigation.

10. 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.

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

11. In the course of its investigation, the MIA contacted Lemonade and confirmed the facts regarding its handling of Respondent's claim.

12. On November 12, 2020, in response to an MIA investigator's request for B & H to authenticate the canon receipt, ending in 8320. A representative of B & H advised:

I have searched ... our system, ...neither has returned an order that matches any of the information on the ...invoice for order # \*\*\*8320. It does, however, match a quote that was never paid and never shipped, to a party by the same name. I am almost sure that invoice was not generated by B&H. ...our invoices list the method of payment used and the amount paid at the bottom. This copy lacks that information. ...I cannot confirm this document to be a legitimate proof of purchase from B&H PHOTO VIDEO.

13. On December 1, 2020, an MIA investigator called Respondent, who stated it was not a good time for him to talk. He abruptly disconnected the call. An MIA investigator also sent an email to Respondent, requesting his cooperation. Respondent did not reply to the email.

## II. Violation(s)

14. Based on the foregoing and considering all relevant sections of the Insurance Article, the Administration finds that Respondent violated the Maryland Insurance Article as follows:

15. Section **27-403** of the Insurance Article provides, in pertinent part:

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[.]

16. Section **27-408(c)** of the Insurance Article provides, in pertinent part:

(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.

17. By the conduct described herein, Respondent knowingly violated § 27-403. The fraudulent insurance act of submitting a false document in support of a claim is complete upon submission of the false document and is not dependent on payment being made; Respondent committed a violation of the Insurance Article when he submitted a false document to Lemonade. As such, Respondent is, therefore subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

### **III. Sanctions**

18. 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.

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

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2020-3526A) and name (Charles Eugene Cousin). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud and Producer Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

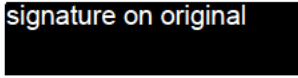
21. This Order does not preclude any potential or pending action by any other person, entity, or government authority regarding any conduct by Respondent, including the conduct that is the subject of this Order.

**WHEREFORE**, for the reasons set forth above, and subject to the right to request a hearing, it is this 6<sup>th</sup> day of April 2021 **ORDERED** that:

Charles Eugene Cousin 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:

  
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STEVE WRIGHT  
Associate Commissioner  
Insurance Fraud and 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: Melanie Gross, 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.