

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

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CASE NO.: MIA-2021-07-016
CASE NO.: MIA-2021-07-017

v.

SERAFIN DEL PILAR ALOMAS RAMOS
34329 Parker Place
Pittsville, Wicomico Maryland 21850

And

ANITA ASHLEY RAMOS
34329 Parker Place
Pittsville, Wicomico Maryland 21850

Fraud Division File No.: R-2021-2748A

ORDER

This Order is issued by the Maryland Insurance Administration (the "MIA") against Serafin Ramos ("Serafin") and Anita Ashley Ramos ("Anita"), (collectively "Respondents") pursuant to §§ 2-108, 2-201, 2-204¹ and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the "Insurance Article"), for Respondents' violations of the Maryland Insurance Article identified and set forth herein.

I. Facts

1. Respondents were named insureds on an automobile insurance policy with Agency Insurance Company of Maryland, Inc. ("AIC"), an authorized insurer, for a 2010 GMC. The policy was in effect from November 16, 2020 until December 12, 2020.
2. On November 30, 2020, AIC notified Anita that the policy was scheduled to be cancelled on December 12, 2020, because the policy premium had not been paid. The premium was not paid and the AIC policy was cancelled, effective 12:01 a.m. on December 12, 2020.

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

3. On December 14, 2020, at about 10:00 a.m., Anita completed an AIC insurance application to reinstate the AIC insurance policy. As part of the reinstatement application process, Anita signed a statement of no losses, which stated:

As a condition precedent to the reinstatement of my insurance, I, the undersigned, state that neither I nor any other person covered by this policy has had a claim or loss, or has been involved in an accident (whether at-fault or not-at fault) related to the ownership, maintenance, or use of any motor vehicle covered by this policy, nor as a pedestrian, during the period between 12:01 a.m. on the cancellation or expiration date and today's date and time.

And

I agree and understand that AIC is relying solely upon this "Statement of No Losses" as an inducement to reinstate my policy with no lapse in coverage.

4. Relying on the Anita's statement of no losses, AIC reinstated Respondents' insurance policy, effective retroactively, to December 12, 2020.

5. On December 14, 2020, at about 11:14 a.m., Anita notified AIC that on the same date, at about 11:00 a.m., her husband, Serafin was operating the insured GMC when a deer ran into the roadway and struck the vehicle. AIC opened a claim.

6. On December 20, 2020, an AIC representative contacted the tow company, which towed Respondents' insured vehicle from the accident location. A tow company representative confirmed that the company towed the insured vehicle on December 14, 2020. However, the tow company representative reported that the tow had occurred at 5 or 6 a.m., several hours before Respondents' AIC policy was reinstated. Consequently, AIC's claims department began a coverage investigation.

7. On December 23, 2020, an AIC claim representative conducted a recorded interview with Serafin, who reported that the accident happened on December 14, 2020, at 11 a.m. when a deer ran into the side of the insured vehicle, causing the airbags to deploy. The accident activated OnStar, which triggered notification to the police department.

8. Following the interview with Serafin, AIC again contacted the tow company which removed Respondents' vehicle from the accident location. A tow company representative advised that a request to tow Respondents' insured vehicle came from the Maryland State Police ("MSP") on December 14, 2020, at 7:30 a.m. The tow company representative provided a screenshot of his phone, identifying the December 14, 2020 call from the MSP to tow Respondent's vehicle.

9. On December 23, 2020, an AIC claim's representative contacted Anita and explained that a representative from the tow company reported that the accident occurred around 7:30 a.m. Anita stated that Serafin called her on December 14, 2020, at 11:00 a.m. to advise her of the accident.

10. On December 24, 2020, AIC referred Respondents' claim to its Special Investigations Unit ("SIU") for "possible referral to the state..."

11. On December 24, 2020, an AIC representative advised Serafin that AIC denied the claim, because the tow company reported that it was called to the location of the accident at 7:30 a.m. on December 14, 2020. However, Respondents' insurance policy was not reinstated until 10 a.m. on the same date. Respondents disagreed with AIC's decision to deny the claim. Anita stated that she would contact OnStar to get a record of the time of the accident.

12. On January 5, 2021, Respondents submitted a copy of letter from OnStar to Anita, as well as a copy of the Maryland State Police accident report to AIC. The OnStar report stated:

“[T]he crash data received with the signal indicated that the Airbag deployed. OnStar contacted the Worcester Co. Emer. at 11:12 a.m. EST and requested emergency assistance be sent to the vehicle's location.”

The accident report reflected that the accident occurred on December 14, 2020, at 11:17 a.m.

13. On January 8, 2021, an AIC investigator spoke with a Maryland State Trooper who reported that the accident occurred on December 14, 2020, at 7:17 a.m. The trooper provided a

copy of the accident report to the AIC investigator who compared it to the report submitted by Anita. He concluded that the reports appeared to be the same, with the exception of the time of the accident.

14. On January 8, 2021, an AIC investigator contacted OnStar, and read the OnStar letter it received from Respondents, which reflected that OnStar contacted emergency services at 11:12 a.m. The OnStar representative advised that the time on the letter was actually 7:12 a.m.

15. On January 8, 2021, an AIC investigator conducted a recorded interview with Anita, who reported that she was aware that the policy lapsed on December 12, 2020. On December 14, 2020, at about 11:00 a.m., Serafin told her he had the accident, and she believes that is when the accident occurred. Anita advised that she contacted the police to get a copy of the report. An officer sent the report to her husband, and she sent it to AIC.

16. On January 11, 2021, AIC sent a letter to Anita and Serafin denying the claim stating:

As you are aware, your policy cancelled on December 12, 2020 for nonpayment. On December 14, 2020 at 10:00 AM, we received a request to reinstate your policy. Also submitted was a Statement of No Loss, signed by you, stating that your vehicle was not involved in any accidents during the lapse in coverage. During our investigation you submitted a police report and a letter from OnStar which stated that the accident occurred on December 14, 2020 at approximately 11:00 AM. After speaking with the Investigating Officer and a representative from Onstar, we determined that you submitted falsified documents in order to obtain insurance benefits.

17. Having a good faith belief that Respondents had committed insurance fraud, AIC referred the matter to the MIA under Section 27-802(a)(1) of the Maryland Insurance Article, which 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.

18. In the course of its investigation, the MIA contacted AIC and confirmed the facts regarding its handling of Respondents' claim.

19. On June 24, 2021, an MIA investigator obtained the police call for service report from the Worcester County Emergency Services for the December 14, 2020; accident involving Serafin. The report reflected that OnStar contacted Worcester County 911 on December 14, 2020, at 7:13 a.m., almost three hours prior to Anita completing the AIC Statement of No Losses.

20. On June 3, 2021, an investigator for the MIA sent a letter to Anita, via email, requesting her cooperation with the MIA's investigation. Anita failed to reply. On June 29, 2021, as MIA's investigator sent an email to Serafin, requesting his cooperation with the MIA's investigation. Serafin failed to reply to the MIA's email.

II. Violation(s)

21. In addition to all relevant sections of the Insurance Article, the MIA relies on the following pertinent sections of the Maryland Insurance Article, which apply to the acts and omissions of the Respondents.

22. **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[.]

23. **§ 27-406** of the Insurance Article, provides in pertinent part:

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[.]

24. 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

* * *

(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.

25. By the conduct described herein, Respondents violated § 27-403 and 27-406(1).

The fraudulent insurance act of making a false statement and submitting false documents in support of a claim is complete upon making the false statement or submitting the false documents, and is not dependent on payment being made. Respondents committed violations of the Insurance Article by submitting false documents and making false statements to AIC. Respondents are subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

III. Sanctions

26. 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.

27. In addition, having considered the factors set forth in § 27-408(c)(2), the MIA imposes an administrative penalty in the amount of \$2,000.00 against each Respondent.

28. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by

immediately payable funds and shall identify the case by number (R-2021-2748A) and Respondents' names (Anita Ashley Ramos and Serafin Del Pilar Alomas Ramos). 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. Unpaid penalties will be referred to the Central Collections Unit for collection.

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

WHEREFORE, for the reasons set forth above, and subject to Respondent's right to request a hearing, it is this 20th day of July 2021, **ORDERED** that:

- (A) Anita Ashley Ramos shall pay an administrative penalty of Two Thousand dollars (\$2,000.00) within 30 days of the date of this Order; and
- (B) Serafin Del Pilar Alomas Ramos shall pay an administrative penalty of Two Thousand dollars (\$2,000.00) within 30 days of the date of this Order.

KATHLEEN A. BIRRANE
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: 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