

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

William Theodore Kidwell  
1928 Grinnalds Ave  
Baltimore, Maryland 21230

\* BEFORE THE MARYLAND  
\*  
\* INSURANCE COMMISSIONER  
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\* CASE NO.: MIA- 2023-05-027  
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\* Fraud Division File No.: R-2022-0102A  
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**ORDER**

This Order is issued by the Maryland Insurance Administration (the “MIA”) against William Theodore Kidwell (“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. On June 29, 2021, Respondent submitted an automobile insurance application to the Government Employees Insurance Company ("GEICO"), an authorized insurer, for his 2016 Nissan. Respondent's GEICO policy went into effect on June 30, 2021, at 12:01 am.
2. On June 30, 2021, at 9:56 am, Respondent notified GEICO that he was operating the insured vehicle in Columbia, Maryland that morning when he was involved in a single vehicle accident. GEICO opened a claim. Because the policy had just taken effect, GEICO referred the claim to its Special Investigation’s Unit (“SIU”) to verify the date and time of the accident.
3. On July 1, 2021, a GEICO investigator interviewed Respondent who reported that on June 30, 2021, between 7:00 and 7:30 am, he was operating his insured vehicle, when he swerved to

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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.

avoid a collision with another vehicle and struck a median. Respondent stated that he did not call the police and there were no witnesses. Respondent reported that an acquaintance used a truck with a trailer hitch to relocate the insured vehicle to the "River Terrace" parking lot.

4. On July 2, 2021, Respondent spoke to a GEICO supervisor and reported that his insured vehicle was at Harbor Towing, for which he provided a phone number ending in 5537.

5. On July 7, 2021, the GEICO investigator performed a Google search of the phone number that Respondent provided for Harbor Towing. The investigator discovered that the number was actually to Fowlkes Towing. The investigator spoke with a representative for Fowlkes Towing and learned that Respondent's insured vehicle was towed on June 30, 2021, following calls from the Falls River Apartments' ("Falls River") property manager, as well as Respondent himself.

6. On July 8, 2021, the GEICO investigator spoke with the Falls River property manager, who reported that Respondent's insured vehicle had been on the property for approximately three weeks in a disabled state before being towed on June 30, 2021. The property manager provided GEICO with a screenshot of a June 9, 2021, text message she received from a Falls River security officer, which depicted an image of Respondent's disabled vehicle and stated, "On Fall river terrace wrecked."

7. On July 19, 2021, GEICO sent a letter to Respondent denying his claim, which stated, in pertinent part:

With respect to the automobile accident occurring on June 9, 2021, GEICO Casualty Company hereby denies any and all liability or obligation to you and to others under policy number 607085\*\*\*\*, issued to William Kidwell. This denial is being made because the policy was not in effect until after the accident occurred.

8. 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.

GEICO, 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**

9. An MIA investigator interviewed a representative for Fall River property management who confirmed that one of its security officers discovered Respondent's Nissan with disabling damage parked on the Falls River property. On June 9, 2021, the security officer alerted a property manager of the disabled Nissan by sending a text message containing a photograph of Respondent's disabled Nissan.

10. On March 16, 2023, an MIA investigator interviewed the Falls River security officer, who reported that on June 9, 2021, he took a photograph of Respondent's disabled vehicle and sent it to a property manager. The security officer stated that he personally placed a tow notice on the Respondent's Nissan. Respondent's Nissan had been sitting on the Falls River parking lot for approximately three weeks before it was finally towed on June 30, 2021, by Fowlkes Towing.

## **II. VIOLATION(S)**

11. 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:

### **§ 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.

**§ 27-408(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.

**12.** By the conduct described herein, Respondent knowingly violated § 27-403. The fraudulent insurance act of making a false statement in support of a claim is complete upon making the false statement and is not dependent on payment being made. Respondent violated the Insurance Article when he falsely reported to GEICO that he was involved in an accident on June 30, 2021. As such, Respondent is subject to an administrative penalty under § 27-408(c).

**III. SANCTIONS**

**13.** 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. §§ 2-201(d) (1) and 2-405.

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

**15.** Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2021-0102A) and name (William T. Kidwell). Payment of the administrative penalty shall be sent to the attention of: Joseph 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.

16. 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 26th day of May 2023, **ORDERED** that:

William Theodore Kidwell 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: 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.