

**IN THE MATTER OF THE**

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**MARYLAND INSURANCE  
ADMINISTRATION**

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**v.**

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**CASE NO.: MIA-2023-09-011**

**KUMA LAWRENCE  
1037 Cathedral Street Apt. 15L  
Baltimore, Maryland 21201**

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**Fraud Division File No.: R-2023-3231A**

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**ORDER**

This Order is issued by the Maryland Insurance Administration (the “MIA”) against Kuma Lawrence (“Respondent”), and pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2011 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.<sup>1</sup>

**I. RELEVANT MATERIAL FACTS**

1. The Respondent resided at the Chase House apartment complex (“Chase House”) located at 1037 Cathedral Street Baltimore, Maryland 21201. The Chase House apartment complex was managed by Homes for America, Inc. The Chase House had Commercial General Liability Insurance though Harford Mutual Insurance Group (“Harford”), an authorized insurer. The policy effective dates are November 1, 2022 through November 1, 2023.

2. On March 23, 2023, the Respondent notified Harford that she had slipped and fallen at the Chase House while walking up the steps. Harford opened a claim.

3. On March 27, 2023, a Harford representative interviewed the Respondent who reported that she was injured after falling on the steps, because of a broken silver strip [stair tread], while

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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.

walking up the steps to her apartment. Respondent advised that she sought treatment for her injuries, and had completed physical therapy.

4. A Harford representative spoke with the Chase House Community Manager who reported that another tenant of the Chase House had previously filed a claim with Harford for an alleged slip and fall at the insured location, and that Harford settled that claim for \$10,000.00. That tenant had allegedly told the Respondent that she should also fall and file a claim. The Community Manager further said that she had examined video footage of the instant incident, and that the metal strip did not appear to cause Respondent to fall. The Community Manager provided Harford's representative with a copy of the surveillance video.

5. A Harford representative examined video footage of the incident wherein Respondent alleged that she fell because of a loose stair tread. The video actually shows that the Respondent did not fall, but rather, simply sat down on the steps. Consequently, Harford referred Respondent's claim to its Special Investigations Unit ("SIU").

6. On March 30, 2023, Harford sent Respondent a letter denying her claim, which stated:

We have completed our investigation ... in which you allege a slip and fall on the steps in the lobby while existing the building, causing injury.

Please be advised, as a liability insurer, we are responsible only for those claims for which our insured is legally liable. Our investigation did not reveal any negligence on the part of our insured as there is evidence that you did not fall. Therefore, we are respectfully denying any claim for liability against our insured."

7. 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.

The Harford, 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**

8. An MIA investigator examined the security video footage of the Respondent's alleged fall. The video shows that the Respondent approached the stairs in the lobby, placed her right hand on the railing, and proceeded to walk down the steps. As she reached the third step, Respondent sat down.

9. A Harford representative confirmed that a different Chase House resident had previously made a similar claim for which they received payment from Harford.

10. On August 1, 2023, an MIA investigator interviewed the Assistant Community Manager ("ACM") for Chase House who said that after the Respondent reported falling, the ACM examined security video footage for the relevant location and time. The footage showed the Respondent walking down the steps while holding onto the railing and sitting down. Respondent was assisted to her feet by another person, she exited the building; the outdoor camera captured Respondent smoking a cigarette and having a conversation with another resident. The ACM confirmed that there had been a prior incident involving another resident claiming to have fallen on the steps.

## **II. RELEVANT STATUTORY PROVISIONS AND VIOLATION(S)**

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

### **Section § 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.

Section § 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

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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.

12. By having engaged in the conduct described herein, Respondent knowingly violated § 27-403(2). The fraudulent insurance act of making a false statement in support of a claim was complete upon making the false statement, and is not dependent on payment being made. The Respondent violated the Insurance Article when she falsely stated to Harford, in support of a claim, that she fell on a loose stair tread, knowing that the statement was untrue. Respondent is therefore subject to an administrative penalty under § 27-408(c) of the Insurance Article.

**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. Insurance Article §§ 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 \$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-2023-3231A) and name (Kuma Lawrence). 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.

16. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by the 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 18th day of September 2023, **ORDERED** that:

Kuma Lawrence shall pay an administrative penalty of Five Hundred Dollars (\$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 & Producer 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: Clerk – Office of Hearings. 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.