

MARYLAND INSURANCE  
ADMINISTRATION  
200 ST. PAUL PLACE, SUITE 2700  
BALTIMORE, MARYLAND 21401

v.

JUDE TITUS  
1808 Aberdeen Circle  
Crofton, Maryland 21114

\* BEFORE THE MARYLAND  
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\* INSURANCE COMMISSIONER  
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\* CASE NO. : MIA-2014-06-034  
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\* Fraud Division File No.: R-2014-2099A  
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**ORDER**

This Order is entered by the Maryland Insurance Administration (“Administration”) against Jude Titus (“Titus” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Annotated Code of Maryland (“the Insurance Article”).

**I. Facts**

1. Respondent has a renter’s insurance policy (# [REDACTED]) with The Phoenix Insurance Company, a subsidiary of The Travelers Indemnity Company (“Travelers”), an authorized insurer. The policy period is from August 22, 2013 to August 22, 2014.

2. On November 11, 2013, Respondent filed a claim with Travelers, reporting that on October 7, 2013, thirty-five days earlier, four rings were lost or stolen. She reported that she had a function at her home and removed her rings, placed them on the sink to wash dishes and was subsequently unable to locate them. Travelers assigned claim # HPN7750.

3. On November 13, 2013, Respondent emailed a written statement to Travelers, along with a completed loss inventory form and a purchase history statement from the Jewelry Exchange, where she reported purchasing the rings. The email stated, “I was unable to locate all of my receipts so I went to the store and they printed out my purchase history.” The loss

inventory form and Jewelry Exchange purchase history statement listed the following items, which total \$11,094.00:

- Invoice # K119672 - 1.59 CT Princess Diamond purchase date, 10/22/2009 for \$5,502.00.
- Invoice # K119672 - .56 CT Diamond 14 W/G Semi Mount purchase date 10/22/2009 for \$1,987.00.
- Invoice # K119672 - .37 CT Anniv Band 14 W/G purchased date 10/22/2009 for \$1,806.00.
- Invoice # K169142 - .97 CT Diamond Eternity Band 14 W/G purchased on 07/27/2010 for \$1,799.00.

4. On November 13, 2013, a Travelers Claim Representative referred Respondent's claim to Travelers' Special Investigations Unit (SIU) due to late reporting of the loss which occurred within 90 days of policy inception.

5. On December 4, 2013, a Travelers Special Investigator obtained a recorded statement from Respondent at her home in Crofton, Maryland. She reiterated the details of the loss as set forth in her claim and added that she purchased the rings from the Jewelry Exchange in Bethesda, Maryland, where she obtained the purchase history statement she submitted to Travelers.

6. On December 5, 2013, the Travelers' Special Investigator went to the Jewelry Exchange in Bethesda, Maryland and presented the purchase history statement Respondent had submitted to Travelers. A Sales Associate and District Manager advised that the submitted purchase history statement was not a Jewelry Exchange document.

7. On December 11, 2013, the Special Investigator confronted Respondent with the fact that the purchase history statement was not a Jewelry Exchange document. She thereafter withdrew her claim.

8. 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.” Travelers, having a good faith belief that Titus committed insurance fraud, referred the matter to the Maryland Insurance Administration Fraud Division.

9. The Administration confirmed Travelers’ handling of the claim investigation as set forth above.

10. On April 8, 2014, Respondent provided a statement to the Administration by telephone, confirming she sent the Jewelry Exchange purchase history statement by email to Travelers from her home in Crofton, Maryland. Shortly thereafter, Respondent terminated the interview. The Administration made additional attempts to speak to Respondent, including sending Certified Mail to her residence; nevertheless, she has not further cooperated.

11. On April 21, 2014, the Administration interviewed the District Manager of the Jewelry Exchange in Bethesda, Maryland. He examined the purchase history statement Respondent submitted to Travelers and confirmed that it was not a Jewelry Exchange document. During a follow up interview, the District Manager advised that customers can obtain a purchase history statement from the store, and provided the Administration with an example of one, which differs in appearance from the purchase history statement submitted to Travelers by Respondent. He confirmed that the document submitted by Respondent to Travelers was not produced by the Jewelry Exchange and that their retail computer system could not generate a purchase history statement like the one Respondent submitted.

12. On April 29, 2014, the Administration obtained from the Jewelry Exchange copies of receipts for actual purchases made by Respondent. A review of those purchases revealed that four of them were for rings of the same type and carat weight as the rings she claimed to Travelers as having been lost or stolen, with one significant exception, namely the

price. Whereas, the true purchases totaled \$6,457.55, the total of her claim to Travelers was \$11,094.00.

## **II. Violation(s)**

13. The Administration relies on the following pertinent sections in finding that the Jude Titus violated Maryland's insurance laws:

14. **§27-403(2)**

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, Titus violated §27-403 and is subject to an administrative penalty under the Insurance Article.

## **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. Titus submitted two false documents to Travelers in support of her claim: a completed loss inventory form reflecting inflated values for the rings and a counterfeit purchase history statement. Having considered all relevant factors, including those set forth in Insurance Article §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$3,500.00 is an appropriate penalty.

19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2014-2099A) and name (Jude Titus). Unpaid penalties will be referred to the Central Collections Unit for collection. 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.

20. 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 25<sup>th</sup> day of June 2014, **ORDERED** that:

(1) Jude Titus shall pay an administrative penalty of \$3,500.00 within thirty (30) days of the date of this Order.

THERESE M. GOLDSMITH  
Insurance Commissioner

*Signature on original*

BY:

CAROLYN HENNEMAN  
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 issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Appeals Clerk. 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.