

**NOTICE OF AGENCY'S FINAL DECISION**

(Please keep form with file until a final decision is issued)

Case Name: [REDACTED]

ALJ: Sinrod Decision Date: 12/28/18

Case No.: MIA-CC-33-18-28072

Agency Case No. (if applicable): MIA-2018-08-031

Document Name (CRS): \_\_\_\_\_

Please check one:

- AFFIRMED
- AFFIRMED w/ comment
- MODIFIED
- REVERSED
- OTHER \_\_\_\_\_

If not affirmed in its entirety, please append a copy of the Agency's Final Decision.

01/29/2019  
Date

Signature Appears on Original  
[REDACTED]  
Secretary or Designee

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Administrative Law Building  
11101 Gilroy Road  
Hunt Valley, Maryland 21031-1301

MARYLAND INSURANCE

\* BEFORE SUSAN A. SINROD,

ADMINISTRATION

\* AN ADMINISTRATIVE LAW JUDGE

EX REL. [REDACTED]

\* OF THE MARYLAND OFFICE

COMPLAINANT

\* OF ADMINISTRATIVE HEARINGS

v.

\*

ALLSTATE INSURANCE COMPANY

\*

AND THE AUTOMOBILE

\* OAH No.: MIA-CC-33-18-28072

INSURANCE COMPANY OF

\* MIA No.: MIA-2018-08-031

HARTFORD, CONNECTICUT

\*

(A TRAVELERS PROPERTY

\*

CASUALTY COMPANY)

\*

LICENSEES

\*

\* \* \* \* \*

**PROPOSED DECISION**

STATEMENT OF THE CASE  
ISSUES  
SUMMARY OF THE EVIDENCE  
FINDINGS OF FACT  
DISCUSSION  
CONCLUSION OF LAW  
PROPOSED ORDER

**STATEMENT OF THE CASE**

On November 17, 2017, the Maryland Insurance Administration (MIA) received a complaint from [REDACTED] (Complainant) alleging unfair claims settlement practices by Allstate Insurance Company (Allstate) and The Automobile Insurance Company of Hartford Connecticut (a Travelers Property Casualty Company) (Travelers), (collectively, Licensees). Specifically, the

<sup>1</sup>In its Transmittal to the Office of Administrative Hearings, the Maryland Insurance Administration referred to the Complainant by his initials. Accordingly, I have referred to the Complainant by his initials in this Decision.

Complainant alleged that the Licensees erred in the denial of his claim relating to mold growth inside the home he rented.

After an investigation, the MIA found that the Licensees did not violate section 27-303(2) of the Insurance Article and notified the Complainant of its finding by a letter dated June 6, 2018. On June 12, 2018, the Complainant requested a hearing. On September 4, 2018, the MIA transmitted the matter to the Office of Administrative Hearings (OAH) for a contested case hearing. In its transmittal, the MIA delegated to the OAH authority to issue a proposed order.<sup>2</sup>

On December 7, 2018, I conducted a hearing at the OAH- [REDACTED] [REDACTED] [REDACTED] Maryland. Md. Code Ann., Ins. §§ 2-210, 2-213 (2017);<sup>3</sup> COMAR 31.15.07. The Complainant appeared without representation. [REDACTED] Esquire, represented Travelers. [REDACTED] Esquire, represented Allstate.

The contested case provisions of the Administrative Procedure Act, the MIA's hearing regulations, and the OAH's Rules of Procedure govern procedure in this case. Md. Code Ann., State Gov't §§ 10-201 through 10-226 (2014 & Supp. 2018); COMAR 31.02.01; and COMAR 28.02.01.

### ISSUES

- 1) Did Allstate engage in any unfair claim settlement practice under the Insurance Article?
- 2) Did Travelers engage in any unfair claim settlement practice under the Insurance Article?

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<sup>2</sup> The Insurance Commissioner may delegate to the OAH the authority to issue: (a) proposed or final findings of fact; (b) proposed or final conclusions of law; (c) proposed or final findings of fact and conclusions of law; or (d) a proposed or final order. Code of Maryland Regulations (COMAR) 31.02.01.04-1A(2).

<sup>3</sup> Unless otherwise noted, all references hereinafter to the Insurance Article are to the 2017 Replacement Volume of the Maryland Annotated Code.

## SUMMARY OF THE EVIDENCE

### Exhibits

I incorporated the entire MIA file, consisting of six exhibits, into the record as follows:

1. Online Complaint Confirmation, dated November 17, 2017
2. Letter from the MIA to Allstate, dated December 12, 2017
3. Letter from the MIA to Travelers, dated December 12, 2017
4. Email from ██████████ Allstate, to ██████████ MIA, dated December 29, 2017; letter from ██████████ Regional Claim Leader, Allstate, to ██████████ MIA, dated December 28, 2017; letter from ██████████ Allstate, to ██████████<sup>4</sup> dated November 7, 2017; Allstate Renters Policy for the period of January 10, 2017 through January 10, 2018; Allstate Confidential Claim Log
5. Email from ██████████ Travelers, to ██████████ MIA, dated January 10, 2018; letter from ██████████ Travelers, to ██████████ MIA, dated January 10, 2018; Homesaver Policy, for the period of September 30, 2016 to September 30, 2017; letter from ██████████ Travelers, to ██████████<sup>5</sup> dated November 29, 2017; photographs, printed November 3, 2017; letter from ██████████ MIA, to Travelers, dated December 12, 2017; Online Complaint Confirmation, dated November 17, 2017; ██████████ Installment Retail Agreement Contract, dated July 31, 2017; ██████████ Proposal, undated; diagram of subfloor drainage system; ██████████ Warranty, blank and undated; email from ██████████ to ██████████ dated November 9, 2017; ██████████ Analytical Analysis of Fungal Spores and Particulates, dated October 23, 2017; Inspection Report of ██████████ dated October 22, 2017; email from ██████████ to ██████████ dated November 9, 2017; letter from ██████████ to ██████████ dated October 25, 2017; Travelers Confidential Claim Log
6. Letter from ██████████ Travelers, to ██████████ MIA, dated January 10, 2018; letter from ██████████ MIA, to Travelers, dated December 12, 2017; Online Complaint Confirmation, dated November 17, 2017; Homesaver Policy, for the period of September 30, 2016 to September 30, 2017; photographs, printed November 3, 2017; ██████████ Installment Retail Agreement Contract, dated July 31, 2017; ██████████ Proposal, undated; diagram of subfloor drainage system; ██████████ Warranty, blank and undated; email from ██████████ to ██████████ dated November 9, 2017; ██████████ Analytical Analysis of Fungal Spores and Particulates, dated October 23, 2017;

<sup>4</sup> These are the initials of the Complainant's wife.

<sup>5</sup> In some of the documentary evidence, Mr. ██████████'s first name is spelled "██████████" I will use "██████████" for consistency.

Inspection Report of [REDACTED] dated October 22, 2017;  
email from [REDACTED] to [REDACTED] dated November 9, 2017; letter from  
[REDACTED] to [REDACTED] dated October 25, 2017; Travelers  
Confidential Claim Log

The Complainant did not submit any exhibits for admission into evidence.

Travelers submitted the following exhibits, which were admitted into evidence:

Travelers Ex. #1- Letter from [REDACTED] Travelers, to [REDACTED], dated  
November 29, 2017

Travelers Ex. #2- Settlement Agreement and Release, signed by the Complainant on  
March 15, 2018

Allstate submitted the following exhibits, which were admitted into evidence:

Allstate Ex. #1- Letter from [REDACTED] Allstate, to [REDACTED], dated November 7,  
2017

Allstate Ex. #2- Letter from [REDACTED] Allstate, to the Complainant and  
[REDACTED] dated April 20, 2018

#### Testimony

The Complainant testified on his own behalf.

[REDACTED] Account Executive, testified on behalf of Travelers.

[REDACTED] Outside Field Property Adjuster, testified on behalf of Allstate.

#### FINDINGS OF FACT

After considering the evidence presented, I find the following facts by a preponderance of  
the evidence:

#### *Facts Pertaining to Allstate*

1. At all relevant times, the Complainant and his wife resided at [REDACTED]  
[REDACTED] Maryland. They rented this property from [REDACTED]

2. At all relevant times, the Complainant and his wife maintained a renters insurance  
policy (Renters Policy) underwritten by Allstate, which covered sudden, accidental direct  
physical loss to personal property caused by certain named perils.

3. The named perils do not include mold growth. There is also a specific exclusion in the Renters Policy for losses related to mold. The Renters Policy covers up to \$5,000.00 in mold remediation if the mold is caused by a covered water loss.

4. On November 7, 2017, the Complainant reported a claim to Allstate, stating that there was mold in the crawlspace of his home and he found that duct work had been disconnected. As a result, he reported that mold had been filtering through the disconnected duct work into the home. The Complainant reported that he and his family had been having health issues as a result. He thought the mold was on his personal contents but there was no visible sign of it. The Complainant spoke to [REDACTED] from Allstate, who told the Complainant that Allstate could not cover the loss because mold is not a named peril in the Renters Policy, and the loss must be from direct, physical damage to personal property.

5. On that same day, Ms. [REDACTED] sent a letter to the Complainant and his wife, which informed them that the Renters Policy did not cover any loss that did not result from a named peril, and from direct, physical damage to personal property.

6. On November 16, 2017, the Complainant again spoke to Ms. [REDACTED] and explained that his utilities had been affected due to the issue with the mold from the disconnected ducts. Ms. [REDACTED] informed the Complainant that because the utilities were affected due to mold, the Renters Policy did not cover the loss of utilities either. He spoke to a supervisor that day as well, [REDACTED] who also told him that the Renters Policy did not cover losses that result from mold.

7. On November 17, 2018, the Complainant filed a Complaint with the MIA against Allstate.

8. On December 27, 2017, Ms. [REDACTED] spoke to the Complainant who told her that an air quality company was recommending remediation to textiles and fabrics in the home, and that Mr. [REDACTED] had sent a plumbing company to the Complainant's home in the summer. Ms. [REDACTED] asked the Complainant verbally and by email to send documents and photographs from the air quality company and the plumber, as well as electricity bills for review. The Complainant did not forward any of the requested documentation to Allstate.

9. Ms. [REDACTED] attempted to obtain the plumber's invoice from the plumbing company, but was unable to do so because it was Mr. [REDACTED] not the Complainant or Allstate, who hired the plumber.

10. On April 20, 2018, Ms. [REDACTED] contacted the Complainant in writing pursuant to the instructions of the MIA, again asking for information that could potentially be considered under the claim. Ms. [REDACTED] requested that the Complainant obtain a copy Mr. [REDACTED]'s plumbing invoice. The Complainant did not forward any documentation to Allstate, and did not assist Allstate with connecting to Mr. [REDACTED] to obtain it.

#### ***Facts Pertaining to Travelers***

9. At all relevant times, Mr. [REDACTED] maintained a homeowner's insurance policy with Travelers (Homeowner's Policy).

10. On October 30, 2017, the Complainant filed a third party claim against Mr. [REDACTED]'s Homeowner's Policy with Travelers, under the property damage and bodily injury liability portion of the Homeowner's Policy, due to property damage and illness resulting from mold. The Complainant forwarded photographs of the crawlspace to Travelers, and Travelers sent an engineer to the home and confirmed there was mold due to disconnected ducts and returns in the crawlspace.

11. Travelers also investigated the claim for loss of utilities resulting from the disconnection of the vent from the heating and air conditioning unit.

12. There is a specific exclusion in the Homeowner's Policy for a liability claim for property damage and bodily injury losses resulting from mold.

13. On November 17, 2018, the Complainant filed a complaint with the MIA against Travelers.

14. On November 29, 2018, Travelers informed Mr. [REDACTED] that it denied the bodily injury and property damage liability claims because of the mold exclusion, but it was continuing to investigate the loss of utilities claim.

13. Regarding the loss of utilities claim, Travelers' engineering department reviewed one year's worth of the Complainant's utility bills, and sent someone to inspect the HVAC system.

14. The utility bills did not reveal a spike in utility costs as a result of the disconnected duct work.

15. On March 15, 2018, the Complainant and Travelers, on behalf of Mr. [REDACTED] entered into a fully negotiated Settlement Agreement and Release for the loss of utility claim against the Homeowner's Policy. Pursuant to that Settlement Agreement and Release, Travelers paid the Complainant in an amount less than he originally claimed against the Homeowner's Policy for loss of utilities.

### DISCUSSION

When the MIA referred this case to the OAH, it directed the Administrative Law Judge conducting the hearing to pay specific attention to sections 4-113 and 27-303 of the Insurance Article. Section 4-113(b)(5) provides that the Insurance Commissioner may suspend, refuse to renew, or revoke an insurer's certificate of authority if the insurer "refuses or delays payment of



amounts due claimants without just cause.” Section 27-303 lists ten unfair claim settlement practices. Section 27-303(2), in particular, prohibits an insurer or nonprofit health service plan from refusing to pay a claim for an arbitrary or capricious reason.

The Insurance Commissioner may impose a penalty not exceeding \$2,500.00 for each violation of section 27-303 and may require an insurer to make restitution, subject to the limits of any applicable insurance policy, to each claimant who has suffered actual economic damage because of the violation. Md. Code Ann., Ins., § 27-305(a)(1), (c)(1), (2).

Neither the statute nor any regulation promulgated by the MIA defines the “arbitrary or capricious” standard. In *Berkshire Life Insurance Co. v. Maryland Insurance Administration*, 142 Md. App. 628 (2002), the Court of Special Appeals adopted the Insurance Commissioner’s interpretation of the “arbitrary and capricious” standard in an earlier case:

“[A] claimant must prove that the insurer acted based on ‘arbitrary and capricious reasons.’ The word ‘arbitrary’ means a denial subject to individual judgment or discretion, and made without adequate determination of principle. The word ‘capricious’ is used to describe a refusal to pay a claim based on an unpredictable whim. Thus, under [Insurance Article section] 27-303, an insurer may properly deny a claim if the insurer has an otherwise lawful principle or standard which it applies across the board to all claimants and pursuant to which the insurer has acted reasonably or rationally based on ‘all available information.’”

142 Md. App. 628, 672 (2002) (citations omitted). As used in section 27-303 of the Insurance Article, “arbitrary or capricious” essentially means without reason or without just cause.

The Complainant, as the party asserting the affirmative on the issue of an unfair claim settlement practice, has the burden of proving by the preponderance of the evidence that the Licensee acted arbitrarily and capriciously in denying the claim. Md. Code Ann., State Gov’t § 10-217 (2014); *Comm’r of Labor & Indus. v. Bethlehem Steel Corp.*, 344 Md. 17, 34 (1996); *Berkshire*, 142 Md. App. at 672.

The Complainant testified that when he made the claim with Allstate, Allstate closed the case immediately with no investigation. He argued that doing so was an arbitrary and capricious determination which forced him to contact the MIA. According to the Complainant, it was only after the MIA got involved that an adjuster from Allstate contacted the Complainant again and asked for additional information. The Complainant explained that professionals looked at the home and found water leaks and disconnected utilities. Air had been coming from the utilities through the broken utility pipes and returns, transferring mold into the living space of the home. The Complainant insisted that he provided ample information to Allstate to verify the loss, and to establish that the loss constituted residual damage from a covered peril. The Complainant agreed that Travelers covered some of the loss of utilities, but not for damage to the carpet, baseboard and other mold damage.<sup>6</sup>

The Complainant conceded that he did not have any personal property in the crawl space, but he said water caused the mold which was transferred through the vents and into the home. He acknowledged that Allstate asked for the invoice from the plumber who Mr. [REDACTED] had sent to the house the previous summer, but said he could not obtain that report. He said he was "almost 100% sure" he sent the [REDACTED] report to Allstate.

[REDACTED] Account Executive with Travelers, testified on behalf of Travelers. He stated that after the Complainant made his initial claim against Mr. [REDACTED]'s Homeowner's Policy, Travelers sent an engineer to inspect who confirmed there was mold in the crawlspace. Mr. [REDACTED] explained that mold was specifically excluded in the liability section of the Homeowner's Policy; therefore, Travelers did not pay any mold related claims. However, Mr. [REDACTED] noted that the Homeowner's Policy did not bar the Complainant's claim for loss of utilities; that claim was negotiated and settled. The Complainant provided Travelers with one

<sup>6</sup> There is no evidence in the record of a claim for this type of damage.

<sup>7</sup> Mr. [REDACTED] hired [REDACTED] to inspect the property after the Complainant expressed his concerns about mold.

year's worth of utility bills and Travelers had its engineering department analyze those bills. Because there was no spike in utility costs or any obvious evidence of loss of utility, Travelers settled the loss of utility claim for less than the maximum amount of the Complainant's claim for loss of utilities, as evidenced by the Settlement Agreement and Release. Travelers Ex #2. Mr. [REDACTED] insisted that this was a fully and freely negotiated settlement by both parties.

[REDACTED] Outside Field Property Adjuster, testified on behalf of Allstate. She said the Complainant initially reported there was mold in the home and his family was having health issues as a result. His initial report was that the mold spread through the home as a result of broken ducts. When Ms. [REDACTED] the adjuster, contacted the Complainant, the Complainant told her that he believed there was mold on his personal contents, but it was not visible. According to Ms. [REDACTED] and as set forth in Allstate's claim log, Ms. [REDACTED] explained to the Complainant that the Renters Policy was a named peril policy, and it required direct, physical damage to the contents of the home that resulted from a named peril. MIA Ex. #4. Ms. [REDACTED] maintained that there was no reason to inspect the premises, because the claim was for a loss that was not covered under the Renters Policy.

Ms. [REDACTED] testified that when the Complainant called back on November 16, 2017 to report that the utilities had been affected by the disconnected duct work and the mold, he spoke to Ms. [REDACTED]'s supervisor, [REDACTED]. At that time, the Complainant claimed the Renters Policy should cover the loss under the provision that insures losses from water or steam that escapes from a plumbing heating or air conditioning system. MIA Ex. #4. Ms. [REDACTED] told the Complainant that provision was inapplicable because the loss was in a non-living space in the house, and there was no direct damage to the contents of the home. Ms. [REDACTED] testified that

regardless, Ms. [REDACTED] asked the Complainant for documentation such as the plumber's report or invoice. Ms. [REDACTED] requested documentation verbally and by email on December 27, 2017, and again on January 15, 2018. The Complainant provided the name of the plumber. However, the plumber would not give Ms. [REDACTED] any information because it was Mr. [REDACTED] who hired the plumber. Ms. [REDACTED] testified that Ms. [REDACTED] requested that the Complainant put her in touch with Mr. [REDACTED] to request the plumber's report. According to Ms. [REDACTED] despite these requests, the Complainant never provided a plumber's report, an engineer's report, the [REDACTED] [REDACTED] report he had referred to several times, or any photographs. Even after the MIA asked Allstate to re-open its investigation, the Complainant provided no documentation despite Allstate's requests.

#### ***Discussion of the complaint against Allstate***

The Complainant argued that it was arbitrary and capricious for Allstate to close the claim on the same day he reported it, forcing him to file a complaint with the MIA. Allstate argued that mold is not a covered peril in the Renters Policy. Allstate maintained that Ms. [REDACTED] denied the claim based on the facts the Complainant provided. He stated that there was mold in the crawlspace, a non-living space, and there was no visible sign of mold on the contents of the house. Thus, based upon the facts that the Complainant provided, he did not incur any loss from a peril insured by the Renters Policy, nor was there any direct physical loss to his personal property. Regarding any claim for loss due to water damage or a water leak, Allstate argued that the Complainant never provided, or assisted in obtaining, the plumber's invoice or report from Mr. [REDACTED]. Therefore, Allstate had no information regarding water damage or a water leak.

The Renter's Policy is a named peril policy. The policy specifically states that it will cover "sudden and accidental direct physical loss," to personal property, caused by sixteen different named perils. MIA Ex. #4. Mold is not one of the named perils. The Complainant felt as though the following peril should cover the loss:

13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow.

MIA Ex. #4.

I found Ms. [REDACTED]'s testimony to be credible. She was not the adjuster for the claim, but she was very familiar with the facts and circumstances surrounding the claim. The Complainant did not present any evidence of water or steam escaping from a plumbing, heating or air conditioning system. In his initial conversation with Ms. [REDACTED] he said he "thought" that the mold was on his personal property but it was not visible. MIA Ex. #4. The Renters Policy specifically excluded losses caused by "mold, fungus, wet rot, dry rot or bacteria." MIA Ex. #4. The Renters Policy did provide coverage for remediation necessary for the removal of mold caused by a "covered water loss." MIA Ex. #4. However, the Complainant never provided any information to Allstate for a covered water loss. On December 27, 2017, just to ensure that there was no covered water loss, Allstate requested that the Complainant provide the plumber's report or put Allstate in touch with Mr. [REDACTED] so it could get the plumber's report, but the Complainant did neither. MIA Ex. #4.

The Complainant testified and said he was "almost 100% sure" that he sent the [REDACTED] report to Allstate; however, Ms. [REDACTED] said that Allstate never received it. At the hearing, the Complainant had trouble remembering many details about the facts and circumstances of this case. I found Ms. [REDACTED]'s testimony to be more credible in this regard. The [REDACTED] report was part of Travelers claim file. MIA Ex. #5 and 6. That

report noted that there was a water leak at a shut off valve in addition to the disconnected return lines, creating an atmosphere where mold will grow. The [REDACTED] report was not part of Allstate's claim file, and Ms. [REDACTED] testified credibly that Allstate never received it.

Considering the information that the Complainant provided to Allstate when he reported his claim, I conclude Allstate did not act in an arbitrary or capricious manner when it denied the claim. The Complainant did not claim any direct physical damage to his personal property from a named peril, which is all that is covered under the Renters Policy. Further, the loss he claimed was from mold, which was specifically excluded from the Renters Policy. When the MIA requested that Allstate investigate further, Allstate contacted the Complainant by letter dated April 20, 2018 and again requested the plumber's invoice or assistance in connecting with Mr. [REDACTED] to obtain the plumber's invoice. Allstate Ex. #2. The Complainant did not assist with either request.

Based upon the evidence before me, I conclude that the Complainant failed to meet his burden of establishing that Allstate engaged in an unfair claim settlement practice under section 27-303 of the Insurance Article. The Complainant did not provide any evidence at the hearing to contradict the reliable evidence in the record. Based on available information, Allstate initially denied the claim, because the claim, as described by the Complainant, did not constitute a direct physical loss to personal property loss from a named peril, and was the result of mold which was specifically excluded from the Renters Policy. I conclude that Allstate's determination was reasonable based on the information available, and was made, not upon an "unpredictable whim," but upon lawful standards and the terms of the Renters Policy. *Berkshire*, 142 Md. App. at 672.

### *Discussion of the complaint against Travelers*

The Complainant argued it was arbitrary that Travelers only covered part of his utility claim. Travelers argued that losses due to mold are excluded from liability coverage in the Homeowner's Policy. However, Travelers maintained that it investigated the loss of utility claim, which was related to the disconnected ducts and not the mold. Travelers' engineering department analyzed the Complainant's utility bills and the [REDACTED] report.

Travelers determined there was no spike in the Complainant's utility costs, and therefore, settled the third party claim by the Complainant against Mr. [REDACTED] and paid the Complainant less than the full amount he claimed. Travelers argued that the Complainant did not present any evidence that Travelers acted in an arbitrary or capricious manner.

Mr. [REDACTED]'s Homeowner's Policy with Travelers specifically excluded liability coverage for bodily injury or property damage caused by "fungi, other microbes or rot." MIA Ex. #5. Travelers informed Mr. [REDACTED] of its denial by letter dated November 29, 2017. Travelers further investigated the Complainant's claim of loss utilities due to the disconnected returns and loss of full use of the HVAC system. The Complainant sent Travelers his utility bills from October 2016 through October 2017, which totaled \$5,173.69. MIA Ex. #6. The Complainant wanted to be reimbursed for all of the utility costs during that time. Travelers' engineering department arranged for an inspection of the HVAC system which was completed on December 22, 2017. After reviewing the Complainant's utility bills and not seeing a spike in utility costs, and after its investigation, Travelers, on behalf of Mr. [REDACTED] and the Complainant entered into a fully negotiated settlement of the loss of utility claim. Travelers Ex. #2. Travelers paid the Complainant based upon the executed Settlement Agreement and Release. Travelers Ex. #2. The Complainant did not contend that this was anything less than a freely negotiated settlement.

I conclude that the Complainant failed to establish that Travelers engaged in an unfair settlement practice under section 27-303 of the Insurance Article. Travelers acted reasonably based on all available information, and the Complainant did not present any evidence at the hearing to the contrary.

Based on my analysis herein, I conclude that the Complainant failed to meet his burden of proof, and his claim must be dismissed. Since I have concluded that the Complainant has failed to meet his burden of proof in his unfair settlement practice complaint and that neither Allstate nor Travelers acted arbitrarily or capriciously, it is not necessary that I address any claim under section 4-113 of the Insurance Article.

#### **CONCLUSION OF LAW**

I conclude as a matter of law that the Complainant failed to establish that the Licensees engaged in an unfair claim settlement practice under the Insurance Article. Md. Code Ann., Ins. § 27-303(2) (2017); *Berkshire Life Insurance Co. v. Maryland Insurance Administration*, 142 Md. App. 628, 672 (2002).

#### **PROPOSED ORDER**

Based upon the above Findings of Fact, Discussion, and Conclusion of Law, I **PROPOSE** that the Licensees not be found in violation of section 27-303(2) of the Insurance Article and that the charges made by the Complainant be **DENIED AND DISMISSED**.

December 28, 2018  
Date Decision Issued

Signature Appears on  
Original

Susan A. Sinrod  
Administrative Law Judge

SAS/sw  
#177376



**RIGHT TO FILE EXCEPTIONS**

Upon receipt of this proposed decision, affected parties have twenty (20) days to file exceptions with the Insurance Commissioner. COMAR 31.02.01.10-1B(1). If they wish to have a transcript of the hearing before filing exceptions, they have ten (10) days to file a copy of their written request to a private stenographer for preparation of a transcript. COMAR 31.02.01.10-1B(2). If a transcript is requested, the transcript must be filed within sixty (60) days of the request, and then the parties have thirty (30) days after the filing of the transcript to file exceptions. COMAR 31.02.01.10-1D. Written exceptions and copies of requests for transcripts should be addressed to Hearing and Appeals Coordinator, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202. The Office of Administrative Hearings is not a party to any review process.

**Copies Mailed To:**

Complainant

