Circuit Court for Montgomery County
Case No. 411087-V

UNREPORTED

IN THE COURT OF SPECIAL APPEALS

OF MARYLAND

No. 1669

September Term, 2016

LING-MING PAI

v.

HARTFORD INSURANCE COMPANY
OF THE MIDWEST ET AL.

Wright,
Kehoe,
Salmon, James P.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Salmon, J.

Filed: February 12, 2018

This appeal arises from a consumer complaint filed by Ling-Ming Pai, appellant, with the Maryland Insurance Administration ("MIA"). The MIA ruled in favor of appellee, Hartford Insurance Company of the Midwest ("Hartford"). Following a hearing requested by Ms. Pai, an Administrative Law Judge ("ALJ") issued a proposed decision, finding that Hartford did not violate Maryland insurance law in its handling of Ms. Pai's claims. The MIA summarily affirmed the proposed decision, after which Ms. Pai filed a petition for judicial review in the Circuit Court for Montgomery County.[1] The circuit court affirmed the MIA's final order.

In her timely appeal, Ms. Pai, *pro se*, asks us to consider whether Hartford engaged in unfair claims settlement practices in handling her carpet betterment and additional living expenses claims following a loss caused by flooding in her apartment.[2] For the reasons that follow, we shall affirm the judgment of the circuit court.

FACTS AND LEGAL PROCEEDINGS

On January 7, 2014, a frozen sprinkler pipe burst in the Germantown, Maryland building in which Ms. Pai and her husband, Richard Wallenstein, owned an apartment. Ms.

[1] The MIA elected not to participate in the circuit court matter.

[2] The questions, as presented by Ms. Pai in her brief, are:

> 1. Was the Betterment Carpet Procedure issue misinterpreted by trial court of ALJ Daneker?
> 2. Did ALJ Daneker erroneously conclude that the additional living expenses ("ALE") were properly presented to the Appellant?
> 3. Did Appellee handle both Betterment and ALE claim in good faith?

Pai and her husband were at their home in Florida when the pipes burst. This incident caused significant water damage to their unit. The two were covered for such damages under a homeowners' insurance policy issued by Hartford, with an effective coverage period of December 15, 2013 through December 15, 2014.[3]

Ms. Pai and Mr. Wallenstein notified Hartford of their loss on January 10, 2014. On January 13, 2014, Hartford claim representative Stephanie MacDonald contacted Ms. Pai and Mr. Wallenstein to advise them that she would be handling their claim. Ms. Pai returned to Maryland on January 17, 2014, but Mr. Wallenstein remained in Florida until January 26, 2014.

Claim for Additional Living Expenses

An attachment to Ms. MacDonald's January 13, 2014 introduction letter provided answers to frequently asked questions, one of which advised Ms. Pai and Mr. Wallenstein that their insurance policy "may provide coverage for increased living expenses or lost income during repairs." Then, on January 23, 2014, via email directed to Mr. Wallenstein and a letter directed to Ms. Pai and Mr. Wallenstein, Ms. MacDonald explained Hartford's coverage for additional living expenses ("ALE") and offered to pay for "temporary housing" while their apartment was uninhabitable.[4]

[3] Although both Ms. Pai and Mr. Wallenstein are named insureds on the applicable homeowners' insurance policy, Mr. Wallenstein did not participate in the action below and is not a party to this appeal.

[4] Ms. Pai denied having received either the email or the letter, although she later conceded that her husband received one or both and failed to show them to her.

On January 23, 2014, Ms. MacDonald made a note in her claim file stating that during a 40 minute telephone conversation Ms. Pai declined the offer of a hotel room but said that she would notify Ms. MacDonald if she required a hotel once her husband returned home from Florida. On January 24, 2014, Hartford inspected the insured property and determined that it was not habitable. When Mr. Wallenstein returned to Maryland on January 26, 2014, he also declined the offered ALE, believing the apartment to be warm and habitable.

On January 29, 2014, Ms. Pai left the country for approximately five weeks. On March 27, 2014, Ms. Pai advised Hartford of the need for hotel accommodations and inquired about coverage for same. On Friday, March 28, 2014, Ms. MacDonald re-sent to Ms. Pai the letter she had sent in January explaining the ALE coverage and asked when Ms. Pai would need the hotel room and for how many days.

On Monday, March 31, 2014, Ms. MacDonald arranged for Ms. Pai to stay at a hotel for seven days. Ms. Pai checked into the hotel the same day. Several approved extensions to the hotel stay, necessitated by delays to repairs in the Pai/Wallenstein apartment unit, resulted in Ms. Pai remaining in the hotel until June 6, 2014. The total cost of the hotel stay was $10,561.75, which was paid by Hartford.

Claim for Carpet Betterment

On January 21, 2014, Ms. MacDonald made an entry in her file noting that the homeowner association's master insurance policy, provided by Nationwide Insurance Company ("Nationwide"), would cover all structural damage to the Pai/Wallenstein apartment, which "may include carpet," although the master policy specifically excluded

any improvements or betterments.[5] At that time, it was unknown to Hartford whether the carpet originally installed in the Pai/Wallenstein apartment was of standard quality or an upgraded improvement/betterment.

On March 21, 2014, Ms. Pai notified Hartford that the damaged carpet in her unit, which had been installed by the previous owner, was of better quality than the standard builders' grade carpet and required an upgrade upon replacement. Ms. MacDonald requested a repair estimate and asked Ms. Pai to notify her as to what Nationwide would cover as far as the carpet damage was concerned. As of March 28, 2014, Ms. Pai had not yet received an estimate for the replacement of the carpet.

Nationwide approved the appraisal for the replacement of the carpet in the master bedroom and walk-in closet of the Pai/Wallenstein unit on May 1, 2014. Notwithstanding her request for betterment coverage by Hartford, Ms. Pai chose a carpet within the amount approved by Nationwide, and the carpet in the unit's bedroom and closet was replaced on June 4, 2014, with the cost covered entirely by Nationwide. Post-installation, Ms. Pai, however, was unsatisfied with the quality of the carpet and sought a replacement with upgraded carpet. Ms. Pai claimed that Hartford refused to cover the cost of the upgrade.[6]

[5] On or about January 22, 2014, Hartford confirmed that Nationwide would cover the cost of the carpet damage.

[6] Although Nationwide agreed to cover the cost of replacement of the carpet in the master bedroom and closet, it declined to accept Ms. Pai's request for replacement of the carpet in the rest of the unit, opting instead to clean it. In an email to Ms. Pai, Ms. MacDonald stated, "I am not sure your Hartford policy would provide coverage to replace the carpet due to the fact that the association-master policy is considered primary for the carpet. I know the issue is replacement versus cleaning."

On July 31, 2014, Hartford requested a sample of the original bedroom carpet to assess its quality. Hartford again requested a sample of the original carpet on August 5, 2014, "for proper[ ] valuation and replacement" to resolve the carpet betterment issue. After learning that the original bedroom carpet had been removed and discarded, however, Hartford agreed to accept the cost of upgrading the standard carpet if Nationwide agreed to pay to remove and replace the newly installed carpet. A sample of the original bedroom carpet was located on August 20, 2014 and evaluated. Hartford issued a check in the amount of $1,270.68 to Ms. Pai on September 24, 2014 "for the replacement of the affected carpeting to bring Ms. Pai's residence back to its original state."

Legal Proceedings

On July 11, 2014, Ms. Pai filed a complaint with the MIA alleging unfair claims settlement practices by Hartford.[7] On November 3, 2014, the MIA ruled in favor of Hartford, finding that Hartford's actions "have not been shown to be arbitrary and capricious, to be lacking in good faith, or to otherwise be in violation of the Insurance Article." Ms. Pai requested a hearing before an ALJ at the Office of Administrative Hearings ("OAH") to determine whether Hartford violated Maryland insurance law.

During her opening statement at the July 22, 2015 OAH hearing, Ms. Pai, *pro se*, stated that the issue on which her complaint centered was the carpet betterment issue. She conceded that she had been paid $1,270.68 to upgrade the inferior carpet, but she

[7] The claim was filed online, and no copy of it appears in the record.

complained that the only reason Hartford paid her was because she had filed a complaint with the MIA.

Notwithstanding her claim that the central issue to be resolved concerned carpet betterment, Ms. Pai went on to complain about Hartford's failure to offer her ALE until January 24, 2014, a week after she returned to Maryland from Florida. She denied Hartford's assertion that she declined ALE earlier in January.

At the hearing before the ALJ, Hartford senior adjuster Patrick Gary testified that Ms. Pai's homeowners' policy provides contents coverage and ALE coverage from the time the covered structure is deemed uninhabitable, which occurred following his inspection of the property on January 24, 2014. Mr. Gary testified he offered ALE to Mr. Wallenstein on that date, and again on January 27, 2014, but Mr. Wallenstein rejected it both times.[8]

Hartford introduced into evidence the letter dated January 23, 2014, offering ALE to Mr. Wallenstein, which, Mr. Gary said, would have been emailed and sent via U.S. Postal Service in the ordinary course of Hartford's business. Ms. Pai denied having

[8] It was Mr. Gary's recollection that he offered ALE to Mr. Wallenstein in person on January 24, 2014, although it appeared to be undisputed that Mr. Wallenstein remained in Florida until January 26, 2014. In her proposed decision, the ALJ found Mr. Gary's testimony credible, notwithstanding his "difficulty accurately recalling the relevant events, many of which occurred more than one and a half years ago." For that reason, the ALJ relied primarily on the written correspondence between the parties and notes in Hartford's file that were kept in the normal course of business.

received the letter in January 2014, but she conceded that her husband may have received it and neglected to mention it to her.[9]

As for the carpet betterment issue, Mr. Gary reported that Hartford initially believed that because the carpet was installed over a slab, it was "primarily a structure issue," which would have been covered by the homeowner association's master policy with Nationwide. When Nationwide began installing the carpet, and Ms. Pai advised Hartford that she believed that she was entitled to an upgrade, Hartford paid under her "improvement and betterment coverage."

In closing argument before the ALJ, Hartford's attorney accurately summarized the evidence by making the following points: 1) the claim of loss was reported to Hartford by Ms. Pai and Mr. Wallenstein on January 10, 2014 and Hartford made contact with their insureds on January 13, 2014, while they (Ms. Pai and Mr. Wallenstein) were both in Florida; 2) Ms. Pai returned to Maryland on Friday, January 17, 2014; 3) because Monday January 20, 2014 was a federal holiday, the Hartford adjustor did not speak personally to Ms. Pai until January 21, 2014; 4) there was no talk of ALE on January 21, 2014 because no inspection had been completed at that point, and the adjustor did not then know whether the home was inhabitable; 5) Hartford's notes indicated that Ms. Pai was offered ALE on January 23, 2014, but she declined, and Mr. Wallenstein declined ALE when he returned

[9] After the hearing, Ms. Pai wrote to Hartford's attorney stating that she had found the January 23, 2014 letter offering ALE but stated that her husband must have opened it and placed it into a file folder and that she was not aware of the letter until March 28, 2014.

to Maryland on January 26, 2014; 6) Ms. Pai then left the country for five weeks starting on January 29, 2014 but was provided ALE upon her request on March 28, 2014.

Based on that time line, counsel argued that ALE was both offered and provided in a reasonable amount of time given the circumstances.

As for the carpet betterment issue, counsel for Hartford argued that, Ms. Pai's concerns were addressed in a timely manner, and payment was made in response to her complaint once the sample of the original bedroom carpet was retrieved and analyzed. Counsel concluded by arguing that Hartford "acted reasonably to reach a fair outcome within Maryland law."

On August 20, 2015, the ALJ issued her proposed decision. After setting forth her findings of fact, the ALJ determined that Ms. Pai had not met her burden of proving that Hartford violated Maryland insurance law in the handling of her ALE or carpet betterment claims.

With regard to the ALE claim, the ALJ found "no evidence that [Hartford] misrepresented the terms of the Policy." Instead, the evidence established that Hartford had timely informed Ms. Pai of the possibility of ALE by mail, email, and verbally in January 2014, yet she and her husband declined the offer by Hartford to pay for hotel accommodations. In addition, there was no evidence that Hartford failed or refused to pay the ALE claim once Ms. Pai requested coverage in March 2014.

As for the carpet betterment claim, the ALJ pointed out that the communications between Hartford and Ms. Pai demonstrated that both parties understood that if the damaged carpet was a betterment, Hartford would cover the cost of the upgraded

replacement carpet, while Nationwide, as the primary insurer for damages resulting from the loss, would pay what the replacement cost of the carpet would have been if there had been no upgrade. The ALJ stressed that Ms. Pai did not provide Hartford with a sample of the original carpet, nor did she provide information relating to a price differential, until after she had chosen a carpet and decided she was dissatisfied with it. Once Hartford obtained the results of the carpet sampling, it covered the upgrade and processed payment for the claim, which Ms. Pai admittedly received. Therefore, in the ALJ's view, Ms. Pai had not established that Hartford misrepresented pertinent facts or policy provisions, that it refused to pay her claim based on arbitrary or capricious reasons, or that it failed to act in good faith in settling the claim.

Ms. Pai filed exceptions to the ALJ's proposed decision on September 15, 2015. On October 28, 2015, the MIA summarily affirmed the ALJ's proposed decision. The MIA determined that the decision reached by the ALJ was correct and adopted the proposed decision as its final order.

Ms. Pai filed a petition for judicial review in the Circuit Court for Montgomery County. Following a hearing on September 9, 2016, the circuit court affirmed the MIA's final order.[10]

[10] In the circuit court, both Ms. Pai and Hartford presented written summaries of the evidence presented to the ALJ. After reading the summaries and stating that he had reviewed the extensive record, the judge found that "there was substantial evidence on the record to support [the ALJ's] finding of fact and conclusions of law."

DISCUSSION

On appeal, Ms. Pai, *pro se*, challenges Hartford's settlement claims practices as violative of the Maryland insurance law. Although Ms. Pai's appellate brief and record extract are hardly models of clarity—and suffer from several procedural defects[11]—it appears that Ms. Pai's main complaint concerns the fault with the timeliness, *vel non*, of Hartford's handling of her ALE and carpet betterment claims and with the ALJ's fact-finding and decision (as adopted by the MIA) regarding her MIA claim.

On appellate review of an administrative agency decision, "we take the same posture as the circuit court. . . and limit our review to the agency's decision." *Anderson v. Gen. Cas. Ins., Co.*, 402 Md. 236, 244 (2007) (citation omitted). Generally, "review of administrative agency decisions is narrow." *Id.* The scope of our review is "limited to determining if there is substantial evidence in the record as a whole to support the agency's

[11] The clarity of Ms. Pai's brief suffers, to some degree, from the fact that English is not her native language. Aside from that, however, Ms. Pai has cited no case law in support of her numerous assertions. On this basis alone, "we could reject [her] contention[s]." *Ubom v. SunTrust Bank*, 198 Md. App. 278, 285 (2011). *See also Marquis v. Marquis*, 175 Md. App. 734, 758 (2007) (quoting *Sodergren v. Johns Hopkins Univ. Applied Physics Lab.*, 138 Md. App. 686, 707 (2001)) ("'It is not our function to seek out the law in support of a party's appellate contentions.'"). In addition, in her brief, in numerous instances, Ms. Pai failed to reference the page or pages in the record extract where evidence to support her assertions might be found. This, too, is a basis to dismiss an appeal. *Ubom*, 198 Md. App. at 285 n. 4. Nevertheless, although "dismissal may be an appropriate sanction, whether to employ it is a matter left to the exercise of this Court's discretion." *Esteps Elec. & Petroleum Co. v. Sager*, 67 Md. App. 649, 657 (1986). We will exercise our discretion to consider Ms. Pai's claim.

Hartford also complains that Ms. Pai failed to: (1) afford it the opportunity to review the proposed record extract prior to its filing; (2) include the complete OAH and circuit court hearing transcripts in the record extract; and (3) serve the aforementioned transcripts upon it, in violation of Md. Rules 8-501, and 8-411. All of those complaints are well-founded. Nevertheless, we elect not to dismiss the appeal on those grounds.

findings and conclusions" and whether or not "the administrative decision is premised upon an erroneous conclusion of law." *United Parcel Serv., Inc. v. People's Counsel for Baltimore Cnty.*, 336 Md. 569, 577 (1994) (citations omitted). Moreover, "a final order of the Commissioner must be upheld on judicial review if it is legally correct and reasonably supported by the evidentiary record." *Ins. Comm'r for the State v. Engelman*, 345 Md. 402, 411 (1997) (citations omitted). Decisions by administrative agencies are deemed to be *prima facie* correct, and we view them in the light most favorable to the agency. *Nationwide Mut. Ins. Co. v. Ins. Comm'r*, 67 Md. App. 727, 737 (1986).

We may not make independent findings of fact or substitute our judgment for that of the agency. *Balt. Lutheran High Sch. Ass'n v. Employment Sec. Admin*., 302 Md. 649, 662 (1985). Rather, we apply the "substantial evidence" test, which is satisfied if "a reasoning mind reasonably could have reached the factual conclusion the agency reached." *Motor Vehicle Admin. v. Salop*, 439 Md. 410, 420 (2014) (citations and quotation marks omitted).

In a decision summarily affirmed by the MIA, the ALJ who heard argument on Ms. Pai's claims determined that Hartford did not engage in unfair settlement practices under Md. Code (1995, 2011 Repl. Vol.), §27-303 of the Insurance Article ("IN"). In her brief, Ms. Pai does not attack the legal sufficiency of that determination. Instead, she finds fault with the ALJ's factual findings as affirmed by the MIA, averring that the ALJ "misinterpreted" the issues and was "misled" by Hartford into making the "wrong conclusion."

We reiterate that it is not within our province to make independent findings of fact or substitute our judgment for that of the MIA. *Balt. Lutheran High Sch. Ass'n*, 302 Md. at 662. The only determination properly before us is whether there is substantial evidence in the record as a whole to support the MIA's factual findings and conclusions that Hartford did not engage in unfair claims settlement practices and whether the MIA's decision is premised upon an erroneous conclusion of law. *United Parcel Serv., Inc.*, 336 Md. at 577. We conclude that there is substantial evidence in the record to support the MIA's fact-finding and ultimate decision.

Subtitle three of Title 27 of the Insurance Article prohibits insurers from engaging in unfair claim settlement practices, and it affords claimants an administrative remedy when aggrieved by an insurer's unfair claim settlement practice. IN § 27–301. As set forth in IN § 27–303:

> It is an unfair claim settlement practice and a violation of this subtitle for an insurer, nonprofit health service plan, or health maintenance organization to:
> (1) misrepresent pertinent facts or policy provisions that relate to the claim or coverage at issue;
> (2) refuse to pay a claim for an arbitrary or capricious reason based on all available information;
> (3) attempt to settle a claim based on an application that is altered without notice to, or the knowledge or consent of, the insured;
> (4) fail to include with each claim paid to an insured or beneficiary a statement of the coverage under which payment is being made;
> (5) fail to settle a claim promptly whenever liability is reasonably clear under one part of a policy, in order to influence settlements under other parts of the policy;
> (6) fail to provide promptly on request a reasonable explanation of the basis for a denial of a claim;
> (7) fail to meet the requirements of Title 15, Subtitle 10B of this article for preauthorization for a health care service;
> (8) fail to comply with the provisions of Title 15, Subtitle 10A of this article;

> (9) fail to act in good faith, as defined under § 27–1001 of this title, in settling a first-party claim under a policy of property and casualty insurance; or
>
> (10) fail to comply with the provisions of § 16–118 of this article.

Although Ms. Pai, in her brief, does not specify how Hartford violated IN § 27–303, it would appear, from her MIA claim and the MIA's final decision addressing her claim, that she contends that Hartford: (1) misrepresented pertinent facts or policy provisions that relate to the claim or coverage at issue (§ 27–303(1)); (2) refused to pay a claim for an arbitrary or capricious reason based on all available information[12] (§ 27–303(2)); and/or (3) failed to act in good faith in settling a first-party claim under a policy of property and

[12] In the context of unfair claim settlement practices, we have held that:

> 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, WEBSTER'S II NEW RIVERSIDE UNIVERSITY DICTIONARY 121 (1984) and made without adequate determination of principle. BLACK'S LAW DICTIONARY 55 (Abridged 5th Ed.1983). The word "capricious" is used to describe a refusal to pay a claim based on an unpredictable whim. WEBSTER'S at 227. Thus, under [IN] § 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."

Berkshire Life Ins. Co. v. Md. Ins. Admin., 142 Md. App. 628, 671 (2002) (quoting *Gabler v. American Manufacturers*, "Order of Remand" at 6–7, MIA No: 60–7/97 (March 11, 1998). The complainant has the burden of proving, by a preponderance of the evidence, that the insurer acted arbitrarily and capriciously in denying her claim. *Id*. at 672.

casualty insurance (§ 27–303(9)). We will address her ALE and carpet betterment claims in turn.

The MIA determined that Hartford did not violate Maryland insurance law in its handling of Ms. Pai's ALE claim, based on the following facts. The loss at the Pai/Wallenstein apartment occurred on January 7, 2014, with the claim reported to Hartford on January 10, 2014, when Ms. Pai and Mr. Wallenstein were both in Florida. Ms. MacDonald introduced herself as the Hartford claim representative to the couple by a letter dated January 13, 2014, and via email directed to Mr. Wallenstein and a letter addressed to Ms. Pai and Mr. Wallenstein on January 23, 2014, where she explained that the policy provided ALE coverage for additional living expenses. On January 23, 2014, Ms. MacDonald made a note in her file, which the ALJ credited as accurate, indicating that Ms. Pai, on that date, declined the offer of a hotel room, instead choosing to remain in the damaged apartment. Mr. Wallenstein, upon his return to Maryland on January 26, 2014, also declined the offered ALE.

After being out of the country for five weeks, Ms. Pai returned home in March 2014 to find her apartment uninhabitable. On March 27, 2014, she asked Ms. MacDonald to arrange for a hotel room, at which time Ms. MacDonald repeated the offer for ALE that she had made in January, 2014. Ms. MacDonald booked a hotel room for Ms. Pai, where Ms. Pai remained until June 6, 2014, with Hartford footing the bill for the entire stay.

With the exception of Hartford's assertion that she received notification of the possibility of ALE coverage and declined it in January 2014, Ms. Pai does not dispute any of the foregoing facts. Therefore, Hartford's only potential violation of the Insurance Code

would center on its alleged failure to provide and/or notify Ms. Pai of her right to ALE in a timely fashion in January 2014.

Ms. Pai asserts she was not advised of ALE coverage until she requested it in March 2014, (but see Note 12 infra), the evidence presented to the ALJ contradicted that assertion. Hartford's claim file, maintained in the ordinary course of its business and accepted into evidence by the ALJ, contains both an email and an attachment dated January 13, 2014 discussing the possibility of coverage for increased living expenses during repairs, also, a letter and an email dated January 23, 2014, notifying Ms. Pai and her husband of the possibility of ALE coverage if their apartment was found to be uninhabitable. Ms. MacDonald's claim notes, which the ALJ credited as accurate, indicate that Ms. Pai declined removal to a hotel on January 23, 2014.[13]

At the OAH hearing, Ms. Pai denied having received the January 23, 2014 letter, but she later conceded that her husband may have opened the letter and placed it in a file without her knowledge. And, after the hearing, in a letter to Hartford's attorney, Ms. Pai advised that she had found the January 23, 2014 letter offering ALE, in a file; she blamed her husband for not showing her either the email or the letter. Quite obviously, the failure to communicate between Ms. Pai and her husband cannot be blamed on Hartford.

[13] In her brief, Ms. Pai admits she engaged in a phone conversation with Ms. MacDonald on January 23, 2014 and that she declined the ALE offer because she "was leaving for trip and didn't want to be bothered for packing [the] whole house before the trip." She, however, characterized Ms. MacDonald's verbal offer of ALE as "involuntary," as it was Ms. Pai who raised the issue of a hotel stay after learning that a neighbor whose apartment had also suffered water damage had checked into a hotel.

The MIA found no evidence that Hartford misrepresented the terms of the Pai/Wallenstein insurance policy as it related to ALE, as Hartford informed Ms. Pai of the possibility of ALE in its initial contact letter only days after the loss and confirmed ALE coverage less than one week after Ms. Pai returned to Maryland from Florida. In addition, there was no evidence that Hartford refused to pay the ALE claim once Ms. Pai accepted it or that it failed to act in good faith in offering ALE. Based on the record, we agree with Hartford that substantial evidence exists to support the MIA's findings of fact and conclusion that Hartford's handling of Ms. Pai's ALE claim did not violate IN §27-303.

With regard to the carpet betterment claim, MIA found that Nationwide had primary coverage for the carpet damage to the Pai/Wallenstein apartment, with Hartford responsible only for any upgrade or betterment of the carpet. Hartford did not dispute its liability for a betterment, but it had no basis upon which to act until Ms. Pai declared, on June 5, 2014, her dissatisfaction with the carpet she had chosen (which was covered entirely by Nationwide).[14] Hartford repeatedly requested a sample of the allegedly upgraded carpet for analysis, but it did not receive the sample until August 2014, after originally being informed that all the original carpet had been discarded. Once the carpet was sampled, Hartford accepted Ms. Pai's carpet betterment claim and timely issued a check in the amount of $1270.68 to Ms. Pai on September 24, 2014.

[14] Ms. Pai filed her MIA claim against Hartford on July 11, 2014. She claimed, at the OAH hearing that the only reason Hartford paid the carpet betterment claim was because of the complaint against it. There is no evidence in the record to support that contention.

Based on these findings of fact, the MIA again found that Ms. Pai had not met her burden of proving that Hartford misrepresented pertinent facts or policy provisions, refused to pay her claim based on arbitrary or capricious reasons, delayed the claim without just cause, or failed to act in good faith. We agree that the record contains substantial evidence that Hartford fulfilled its obligation under the Pai/Wallenstein insurance policy by paying for the cost of the carpet upgrade, once it had received the pertinent information upon which to issue payment. Therefore, we hold that the ALJ's finding that Hartford did not violate the Maryland insurance law in its handling of Ms. Pai's carpet betterment claim is supported by substantial evidence.

JUDGMENT OF THE CIRCUIT COURT FOR MONTGOMERY COUNTY AFFIRMED; COSTS ASSESSED TO APPELLANT.