

**OFFICE OF THE INSURANCE COMMISSIONER
MARYLAND INSURANCE ADMINISTRATION**

F.T.¹, *
Plaintiff, *
v. * **Case No. 27-1001-23-00008**
Allstate Property and Casualty Insurance *
Company *
Defendant. *

* * * * *

DECISION

F.T. (“Plaintiff”) has alleged that Allstate Property and Casualty Insurance Company (“Defendant”) breached its contractual obligations by failing to fully pay Plaintiff’s first-party claim for damages under the terms of a homeowner’s insurance policy (the “Policy”) in connection with alleged hail, wind, and flying debris damage to his home in Brandywine, MD that occurred on August 28, 2020 (the “Claim”). Pursuant to Section 27-1001 of the Insurance Article of the Annotated Code of Maryland (“Section 27-1001”), the Maryland Insurance Administration (the “Administration”) concludes that Plaintiff has failed to demonstrate that Defendant breached any duties owed to Plaintiff or otherwise failed to act in good faith in connection with Plaintiff’s claim.

I. STANDARD OF REVIEW

Section 3-1701 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland (“Section 3-1701”) authorizes the award to an insured of certain statutory remedies if the insured demonstrates that the insurer failed to act in good faith in denying, in whole or in

¹ The Maryland Insurance Administration uses initials to protect the identity of the parties.

part, a first-party property insurance or disability insurance claim. However, before the insured may file an action pursuant to Section 3-1701, Section 27-1001 requires that the insured first submit a complaint to the Administration.

Section 27-1001 defines “good faith” as “an informed judgment based on honesty and diligence supported by evidence the insurer knew or should have known at the time the insured made the claim.” The Administration in rendering a decision on the complaint is required by Section 27-1001(e)(1)(i) to focus on five issues:

1. Whether the insurer is required under the applicable policy to cover the underlying claim;
2. The amount the insured was entitled to receive from the insurer;
3. Whether the insurer breached its obligation to cover and pay the claim;
4. Whether an insurer that breached its obligation failed to act in good faith; and
5. If there was a breach and the insurer did not act in good faith, the amount of damages, expenses, litigation costs and interest.

A plaintiff has the burden of proof and must meet this burden by a preponderance of the evidence. *See* Md. Code Ann., State Gov’t Art., section 10-217; *Md. Bd. Of Physicians v. Elliott*, 170 Md. App. 369, 435, *cert denied*, 396 Md. 12 (2006).

II. PROCEDURAL BACKGROUND

On January 5, 2023, the Administration received Complaint No. 27-1001-23-00003 (the “Complaint”) stating a cause of action in accordance with Section 27-1001. In the Complaint, Plaintiff alleges to date the claim remains severely underpaid in the amount of \$74,672.08 plus interest and expenses.

Plaintiff argues Defendant failed to make a judgement on Plaintiff’s claim based on honesty and diligence. Defendant’s refusal to grant full indemnification for Plaintiff is not

supported by the evidence. Defendant willfully and consistently ignored facts of the claim. Defendant refused to negotiate the claim with Plaintiff's public adjuster. Plaintiff contends that Defendant's failure to provide full indemnification of Plaintiff's claim demonstrates Defendant's refusal to act in good faith. As required by Section 27-1001(d)(3), the Administration forwarded the Complaint and accompanying documents to Defendant on January 12, 2023. Defendant provided a timely response to the Complaint and accompanying documents as required by Section 27-1001(d)(4) on February 16, 2023, acknowledging that the Policy provided dwelling coverage for Plaintiff's house with policy limits of \$420,133, subject to a \$1,500 deductible. Plaintiff also purchased additional coverage to replace undamaged roofing and/or siding materials if there is no like, kind, and quality materials substantially similar to the damaged roof/siding materials available, which has a \$20,000 policy limit.

III. FINDINGS

Based on a complete and thorough review of the written materials submitted by the parties, and by a preponderance of the evidence, the Administration finds that Plaintiff has failed to establish that he is entitled to additional coverage for the Claim under the Policy.

On October 12, 2020, Plaintiff notified Defendant of the Claim reporting damage to the exterior of the insured residence due to hail which occurred on August 28, 2020. Plaintiff further reported interior water damage as a result off the wind damage to the roof.

Defendant performed a virtual inspection on October 23, 2020 with Defendant's adjuster (Matthew Northam) and a third-party vendor, Ladder Now. Some wind damage was identified. As a result, Defendant agreed to paid Plaintiff \$4,511.85 (which represented \$6,011.85 in total damage minus the \$1,500 deductible).

Plaintiff did not accept the Defendant's damage estimate, and advised he wanted to consult with his contractor as he was concerned the repair would not match the existing roof.

On November 25, 2020, Plaintiff contacted Defendant's adjuster and requested issuance of the \$4,511.85 payment. The payment was issued November 27, 2020.

On December 4, 2020, Defendant received an invoice from Just Call Joe, LLC (Plaintiff's contractor) for a \$600 tarp installation done on October 2, 2020. Payment was issued the same date.

On June 23, 2021, a supplement adjuster, Anthony Thompson, spoke to the Plaintiff. Plaintiff requested Defendant replace the entire roof. Plaintiff was advised to obtain photographs from his contractor which demonstrated additional damages that would necessitate roof replacement.

The supplement adjuster contacted Plaintiff's contractor to request additional photographs on June 26, 2021. The contractor advised that he would not take any additional photographs, and that he intended to involve a public adjuster.

That same day, Joseph Kriner of Just Call Joe, LLC, replied to the supplement adjuster via email that he had provided the proper scope for the repairs to the home. The file does not reflect this information was provided to the Defendant.

On July 24, 2021, Defendant received a letter of representation for Mr. Kriner as a public adjuster with Semper Fi Public Adjuster, LLC ("SFPA").

On July 26, 2021, Bradley Phillips, was assigned as the new supplement adjuster on the claim. The supplement adjuster made several attempts to contact Mr. Kriner in July and August 2021.

On January 27, 2022, Mr. Kriner submitted proof of loss, an estimate, and photographs to Defendant. The estimate was for \$74,672.08, of which \$12,278.68 was his public adjuster fee.

That same day, the supplement adjuster called Mr. Kriner and sent him an explaining there was some additional information or documentation needed and that some of the damages appeared to be ordinary wear and tear. Mr. Kriner refused to provide the additional information.

On March 9, 2022, the supplement adjuster asked for and received management's permission to re-inspect the residence. The re-inspection occurred on March 23, 2022 with a third-party vendor, Dillard Claim Consultants ("Dillard"). The multiple brittleness tests failed. As result, on March 25, 2022, Defendant agreed to pay to replace the roof. The replacement cost value was \$19,700.95, minus depreciation, the deductible², and the prior payment. This resulted an additional payment to Plaintiff of \$7,229.85 to SFPA and Plaintiff.

On March 25, 2022, a third supplemental adjuster (Wyatt Bergeron) was assigned, and contacted Mr. Kriner to explain the revised estimate and payment. On April 14, 2022 the supplement adjuster also sent an email to Mr. Kriner to ask that the roof work be initiated.

On June 1, 2022, counsel for Plaintiff contacted Defendant advising Defendant of counsel's representation of Plaintiff. A fourth supplement adjuster (Jonathan Bourne) was assigned.

On June 6, 2022, counsel requested a certified copy of the Policy and a Comprehensive Loss and Underwriting Exchange ("CLUE") report. The adjuster provided Plaintiff's historical and subsequent claim history with Defendant. Defendant explained it did not have access to a CLUE report. A certified copy of the Policy was sent to counsel on June 7, 2022.

² It is unclear from the record if Plaintiff was charged for the deductible both in the November 25, 2020 and March 25, 2022 payments.

On September 29, 2022, Plaintiff contacted the supplement adjuster asking when the repairs would be initiated. Plaintiff was advised to contact his public adjuster/contractor.

Defendant did not receive any further contact regarding the claim until it received the Complaint from counsel. Attached to the complaint was a dwelling repair estimate prepared by SFPA totaling \$74,672.08, plus interest and expenses.

IV. DISCUSSION

The evidence demonstrates that Defendant acted promptly upon receipt of the claim to schedule an inspection of the property, which took place on October 23, 2020. Some wind damage was identified. As a result, Defendant agreed to paid Plaintiff \$4,511.85.

On December 4, 2020, Defendant received an invoice from Plaintiff's contractor for a \$600 tarp installation done on October 2, 2020. Payment was issued the same date.

On June 26, 2021, Just Call Joe, LLC replied to the supplement adjuster via email that it had provided the proper scope for the repairs to the home. The file does not reflect this information was provided to the Defendant. Additionally, on July 24, 2021, Defendant received a letter of representation for Mr. Kriner (of Just Call Joe, LLC) as a public adjuster with SFPA.

The supplement adjuster made several attempts to contact Mr. Kriner in July and August 2021.

On January 27, 2022, Mr. Kriner submitted proof of loss, an estimate, and photographs to Defendant. The estimate was for \$74,672.08, of which \$12,278.68 was his public adjuster fee.

That same day, the supplement adjuster called Mr. Kriner and sent him an explaining there was some additional information or documentation needed and that some of the damages appeared to be ordinary wear and tear. Mr. Kriner refused to provide the additional information.

On March 9, 2022, the supplement adjuster asked for and received management's permission to re-inspect the residence. The re-inspection occurred on March 23, 2022 with a third-party vendor, Dillard. The multiple brittleness tests failed. As result, on March 25, 2022, Defendant agreed to pay to replace the roof. This resulted an additional payment to Plaintiff of \$7,229.85 to SFPA and Plaintiff.

On March 25, 2022, the supplement adjuster contacted Mr. Kriner to explain the revised estimate and payment. On April 14, 2022 the supplement adjuster also sent an email to Mr. Kriner to ask that the roof work be initiated.

On June 1, 2022, counsel for Plaintiff contacted Defendant advising Defendant of counsel's representation of Plaintiff.

On June 6, 2022, counsel requested a certified copy of the Policy and a CLUE report. The adjuster provided Plaintiff's historical and subsequent claim history with Defendant. Defendant explained it did not have access to a CLUE report. A certified copy of the Policy was sent to counsel on June 7, 2022.

On September 29, 2022, Plaintiff contacted the supplement adjuster asking when the repairs would be initiated. Plaintiff was advised to contact his public adjuster/contractor.

Defendant did not receive any further contact regarding the claim until it received Complaint counsel. Attached to the Complaint was a dwelling repair estimate prepared by SFPA totaling \$74,672.08, plus interest and expenses.

Upon review of the estimate, Defendant determined the additional exterior repairs were not warranted. SFPA has not support for the significant differences in scope and amount of dwelling repairs. Despite the allegations in the Complaint, Plaintiff has not offered any evidence that Defendant ignored the facts Plaintiff presented, refused to justify its position, or

refused to negotiate the Claim with Plaintiff's public adjuster. Plaintiff has also not referenced any provision of the Policy that would require Defendant to provide coverage for additional repairs not resulting from direct physical loss to the covered dwelling or for the public adjuster fees included in SFPA's estimate.

Based on these findings, Plaintiff has failed to meet his burden to prove that Defendant breached any obligation owed to him under the Policy or that he is entitled to any additional payment under the policy.

V. CONCLUSIONS OF LAW

In accordance with Section 27-1001, the Administration concludes:

1. Plaintiff established by a preponderance of the evidence that Defendant is obligated under the policy to cover the claim.
2. Plaintiff did not establish by a preponderance of the evidence that Defendant failed to provide the coverage required under the policy.
3. Plaintiff did not establish by a preponderance of the evidence that Plaintiff is entitled to additional damages as a result of the claim.
4. Plaintiff did not establish by a preponderance of the evidence that Defendant breached its obligation under the policy to cover and pay the claim.
5. Since a breach is a necessary element of a failure to act in good faith, Plaintiff did not establish a failure by Defendant to act in good faith.
6. Plaintiff is not entitled to expenses and litigation costs.

ORDER

Based on the foregoing findings of fact and conclusions of law, it is

ORDERED on this April 5, 2023 that Defendant did not violate Section 27-1001 of the Insurance Article of the Maryland Annotated Code; and it is further

ORDERED that pursuant to Section 27-1001(f)(3), this Final Order shall take effect if no administrative hearing is requested in accordance with Section 27-1001(f)(1).

KATHLEEN A. BIRRANE
Insurance Commissioner

Tammy R.J. Longan

Tammy R.J. Longan
Associate Commissioner- Office of Hearings

APPEAL RIGHTS

If a party receives an adverse decision, the party shall have thirty (30) days after the date of service (the date the decision is mailed) of the Administration's decision to request a hearing, which will be referred to the Office of Administrative Hearings for a final decision under Title 10, Subtitle 2 of the State Government Article of the Annotated Code of Maryland. MD. CODE ANN., INS. ART., §27-1001(f).