



policy that insures the policyholder's real or personal property. *See* § 10-401(g). A person is required to be licensed to act as a public adjuster in the State. *See* § 10-403(a).

2. NEX is a limited liability company. Its principal office is located in Frederick, Maryland. NEX is a subsidiary of Nationwide Construction Ventures ("NCV"), which is located in Orlando, Florida. NEX holds a contractor license issued by the Maryland Home Improvement Commission ("MHIC"), License # 144196. Jonathan Dorosh ("Dorosh") is the chief executive officer of NEX. Dorosh holds a contractor and salesman license issued by the MHIC, License # 108232. Neither NEX nor Dorosh have ever been licensed as a public adjuster in Maryland.

3. Elite Claims Consultants, LLC ("Elite Claims") is a foreign limited liability company, located in Estero, Florida. It holds a Florida resident public adjuster license, which was issued on February 16, 2022. The MIA issued Elite Claims a non-resident Maryland public adjuster license on October 22, 2021, License # 3001612642. Elite Claims' Maryland public adjuster license expires on October 20, 2025. Elite Claims did not hold a Maryland public adjuster license prior to October 22, 2021.

4. Rodriguez holds a resident public adjuster license in Florida, which was issued on July 9, 2021. The MIA issued Rodriguez a non-resident Maryland public adjuster license on June 7, 2021, License # 3001338431. Rodriguez's Maryland public adjuster license expired on May 31, 2024. At all relevant times related to the facts of this Order, Rodriguez was employed by and acted on behalf of Elite Claims.

5. Section 27-802(a)(1) 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.

In accordance with § 27-802(a)(1), the MIA received fraud referrals from the following Maryland authorized insurers alleging that NEX, among other things, was acting as a Maryland public adjuster, without the requisite license to do so:

- Travelers Indemnity Company (“Travelers”);
- Erie Insurance Exchange (“Erie”); and
- Nationwide Mutual Insurance Company (“Nationwide Mutual”).

6. The MIA’s Fraud and Enforcement Division opened an investigation.

### **The MIA’s Investigation**

7. An investigator for the Administration found that in the eight claims described below, Maryland homeowners made first party property damage claims to their respective homeowners insurers and hired NEX as their contractor to repair certain property damage.

8. The Administration found that in the eight claims described below, NEX had the named insureds sign assignments of benefits to NEX. NEX subsequently retained Elite Claims to represent them as the beneficiary of the policy and first party claim as a public adjuster.

9. In connection with the seven of the eight claims described in this Order, NEX submitted documents to the insurers, which included an Assignment of Benefits (“AOB”). The AOB was signed by the insured and stated, in pertinent part:

I [the insured] hereby assign any and all insurance rights, benefits, proceeds, and any causes of action under applicable insurance policies to [NEX]....

I hereby unequivocally direct my insurance carrier(s) to release any and all information requested by [NEX], its representative, and/or its attorney [*sic*] for the purpose of obtaining actual benefits to be paid by my insurance carrier(s) for services rendered or to be rendered.

10. Each of the aforementioned insurers had an Assignment provision in their policies with their insureds, which required the insurer’s written consent prior to recognizing or accepting

an AOB. In the claims discussed herein, none of the insurers granted written consent to an AOB.

As a result, the AOBs were deemed invalid by the insurers.

11. Regarding insurance policy AOB provisions, the MIA has concluded that:

An AOB does not confer any rights to Respondents, because policy benefits under a homeowner's policy are not assignable absent the consent of the carrier.<sup>2</sup>

12. In connection with the eight claims described herein, Elite Claims submitted documents to the insurers, which included a Letter of Representation ("LOR"). The LORs stated that Elite Claims represented NEX not the policyholder. The LORs were signed by Dorosh, as the manager for NEX and stated:

RE: Letter of Representation for Elite Claims Consultants, LLC to represent Nationwide Exteriors Public Adjuster's Fee: 20%;

To Whom It May Concern:

We are writing to notify you that Elite Claims Consultants, LLC ("Elite") has been hired by Nationwide Exteriors ("NATIONWIDE"), as assignee, to advise and assist NATIONWIDE in the adjustment of the insurance claim arising from a loss, the benefits from which have been assigned to NATIONWIDE. To avoid any doubt, NATIONWIDE has authorized Elite to communicate with you as fully as NATIONWIDE, and is authorized to take all proper actions with regard to the claim, including without limitation, to prepare, complete, file, negotiate, settle, or any other action which a public adjuster is duly authorized by law to take.

Going forward, please communicate with Elite regarding the claim and please **include** Elite as a payee on any insurance proceeds checks issued in reference to this claim. Again, to avoid any doubt and make as clear as possible that Elite is authorized to adjust this claim on NATIONWIDE's behalf, both Elite and NATIONWIDE have signed below, indicating NATIONWIDE authorization and Elite's acceptance of such authorization.

...ASSIGNEE understands and acknowledges that pursuant to **s. 817.234**, Maryland Statutes, any person who, with the intent to injure, defraud, or deceive any insurer or insured, prepares, presents, or causes to be presented a proof of loss or estimate of cost or repair of damaged property in support of a claim under an insurance policy knowing that the proof of loss or

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<sup>2</sup> See *In the Matter of the Petition of Featherfall Restoration, LLC*, 261 Md. App. 105 (2024).

estimate of claim or repairs contains any false, incomplete, or misleading information concerning any fact or thing material to the claim commits a felony of the third degree, punishable as provided in **s. 775.082, s. 775.803, or s. 775.084, Maryland Statute s.** ASSIGNEE shall confirm the accuracy and completeness of any and all information and documentation provided to PUBLIC ADJUSTER and any and all forms or other documents signed and/or provided to the insurance company for purposes of adjusting through the preparation and submission of a claim for loss, damage, and recovery under any insurance policy. (emphasis added).

13. In connection with the five of the claims described herein, Elite Claims submitted a “Client Letter” to the insurers. The Client Letters named the insureds as Elite Claims’ client, and stated, in pertinent part:

To Whom It May Concern:

We are the public adjuster for our client, [insured’s name].

Please direct all communications regarding this claim to Elite Claims Consultants, LLC.

\* \* \*

Please find the attached:

-Executed Public Adjuster Agreement between [insured] and Elite Claims Consultants, LLC.

\* \* \*

Please respond by email with:

-A copy of the policy active on the date of loss

-All open claim documents (i.e., current estimate, determination of coverage).

The Client Letters were not signed by the insureds.

**a. Travelers’ Claims:**

**Homeowner 1 (“HO-1”)**

14. On May 26, 2021, HO-1 contacted Travelers and reported hail damage to his roof. Travelers opened a claim, Claim No. \*\*\*4934.

15. On June 14, 2021, HO-1 signed an AOB with NEX.

16. On June 17, 2021, Travelers, along with a representative of NEX, inspected HO-1's home. Travelers concluded that the damage was wear and tear and denied the claim.

17. On June 21, 2021, Elite Claims sent an email to Travelers. Attached to the email was a public adjuster contract signed by Rodriguez and HO-1 on June 18, 2021. The contract stated that Elite Claims represented HO-1.

18. On June 21, 2021, in response to Elite Claims' public adjuster contract, Travelers requested a copy of its Maryland public adjuster license. Rodriguez responded with his personal Maryland public adjuster license as well as a request for HO-1's coverage determination. Travelers notified Rodriguez that it was denying HO-1's claim.

19. On July 22, 2021, Elite Claims emailed Travelers to contest the claim denial.

20. On July 30, 2021, Elite Claims sent an email to Travelers stating, "We are the Public Adjuster for our client, Nationwide Exteriors of Maryland, LLC; A/A/O; [HO-1]. Please direct all communications regarding this claim to Elite Claims Consultants, LLC..." Attached to the email were the AOB that NEX entered into with HO-1 and an LOR indicating that Elite Claims represented NEX that was signed by NEX on July 22, 2021. Travelers declined to recognize the LOR and AOB, as Elite Claims was representing NEX, not the policyholder.

21. On August 12, 2021, after receiving a repair estimate from Elite Claims, Travelers again denied HO-1's claim.

22. Between August 12, 2021, and April 6, 2022, Elite Claims sent a series of emails to Travelers wherein it contested its claim denial.

23. On October 12, 2021, Rodriguez made a formal complaint to the MIA on behalf of Elite Claims in which he reported that Travelers improperly denied HO-1's claim. The MIA

suspected that Rodriguez and Elite Claims were acting on behalf of NEX, and not the policyholder, so the Fraud and Enforcement Division opened an investigation.

24. As part of the MIA's investigation, an MIA investigator examined documents related to HO-1's claim.

### **Homeowner 2 ("HO-2")**

25. On June 17, 2020, an NEX representative knocked on HO-2's door and offered a free roof inspection. HO-2 agreed. The NEX representative advised that the home suffered storm damage. That same day, HO-2 notified Travelers of the damage. Travelers opened a claim, Claim No. \*\*\*7689. On June 25, 2020, a Travelers representative inspected the roof.

26. On June 30, 2020, Travelers issued payment to HO-2 for repair or replacement of a portion of the roof. The claim was then closed.

27. On May 29, 2021, HO-2 entered into a Performance Agreement with NEX, which stated in pertinent part:

**3. Authorization to Communicate.** Owner directs Owner's insurance carrier(s) ("Carrier") to release all information requested by Company and its agents which Company deems necessary to obtain the Rights or provide the Services.

28. On June 1, 2021, an NEX representative emailed Travelers stating:

Please see the attached contract for the above mentioned claim. Please reply to confirm receipt and approval. All correspondence should be directed to our office at this email address or my direct number listed below.  
Please send me the contact information for the field and desk adjuster assigned to this claim so we can schedule a joint inspection with the insured.

Attached to that email was a copy of the Performance Agreement.

29. On June 2, 2021, an NEX representative submitted to Travelers a supplement for the replacement of a larger portion of HO-2's roof, as well as siding for the entire house, due to hail damage. The supplement identified the NEX inspector as a "Claim Rep," and stated:

After reviewing this estimate there are two logical conclusions:

1) you agree with our logic but disagree with our price by citing some unknown/unavailable to the public bulletin that has been given to you to explain why you are not able to pay for the correct line items....

Please let us know if you have any questions about the included line items so that we may explain the reasoning behind their inclusion

30. On August 9, 2021, Elite Claims emailed Travelers, advising that it was a public adjuster representing NEX, not the policyholder. The email requested that Travelers provide a copy of the policy and all claim documents. Attached to the email was an LOR indicating that Elite Claims represented NEX that was signed by NEX on July 22, 2021.

31. On August 27, 2021, an Elite Claims representative emailed Travelers again requesting insurance policy documents.

32. On October 5, 2021, Travelers referred HO-2's claim to its Special Investigations Unit ("SIU"), as Elite Claims was not representing the insured and the public adjuster/contractor relationship seemed improper.

33. On October 8, 2021, an Elite Claims representative asked Travelers for certified policy documents. Travelers denied the request.

34. As part of its investigation, on December 12, 2022, an MIA investigator interviewed HO-2, who reported that an NEX representative advised him that it was hiring a public adjuster, but HO-2 did not know who the public adjuster was and was never contacted by a public adjuster.

### **Homeowner 3 ("HO-3")**

35. On June 3, 2021, HO-3 and a representative of NEX contacted Travelers and reported possible hail damage to HO-3's roof and siding. Travelers opened a claim, Claim No. \*\*\*3964.

36. That same day, HO-3 signed an AOB with NEX.

37. On June 4, 2021, an NEX representative emailed Travelers instructing it to direct all claims correspondence to NEX and attaching a copy of the AOB.

38. On June 8, 2021, Travelers and an NEX representative inspected HO-3's home. Travelers concluded that the damage was mechanical, and consequently, denied the storm damage claim.

39. On June 16, 2021, HO-3 signed a public adjuster contract with Elite Claims. Rodriguez signed the contract on behalf of Elite Claims.

40. On June 17, 2021, Elite Claims emailed Travelers a copy of its public adjuster contract with HO-3 and a Client Letter. Travelers re-evaluated the claim and maintained its denial.

41. On July 21, 2021, Elite Claims emailed Travelers contesting the claim denial and demanding another inspection.

42. On September 20, 2021, Elite Claims sent another email to Travelers contesting the claim denial and demanding another inspection. In response, Travelers asked Elite Claims who it was representing and Elite Claims replied that it was representing NEX.

43. On October 7, 2021, Travelers referred HO-3's claim to its SIU as Elite Claims did not have a Maryland public adjuster license and was representing the contractor, not the homeowner.

44. On October 28, 2021, a Travelers investigator interviewed HO-3, who reported that after Travelers denied her claim, NEX advised her that it could hire someone who would advocate to Travelers on their behalf to overturn the denial. HO-3 agreed, and signed a contract with Elite Claims.

45. On October 29, 2021, an Elite Claims representative emailed a "Revised Letter of Representation Package" to Travelers which included a copy of HO-3's AOB, a LOR, and a copy

of Elite Claims' Maryland public adjuster license, which it acquired on October 22, 2021. The LOR was dated July 22, 2021, and stated Elite Claims represented NEX, not the policyholder. Travelers maintained its claim denial and closed the claim.

#### **Homeowner 4 ("HO-4")**

46. On July 13, 2021, HO-4 notified Travelers that NEX inspected his home and identified hail damage to the siding. Travelers opened a claim, Claim No. \*\*\*7894.

47. That same day, HO-4 signed an AOB with NEX.

48. On July 15, 2021, Travelers and an NEX representative inspected HO-4's home. Travelers confirmed that the siding had sustained hail damage, but noted that the roof did not sustain any damage.

49. On July 19, 2021, Travelers discussed the claim settlement payment for the damage to the siding with HO-4.

50. On August 19, 2021, an NEX representative sent a supplemental estimate to Travelers for replacement of the insured's entire roof due to storm damage. The supplement identified the NEX employee as a "Claim Rep." Travelers denied the supplemental request.

51. On September 2, 2021, Elite Claims emailed Travelers stating, "We are the Public Adjuster for our client, Nationwide Exteriors of Maryland, LLC; A/A/O; [HO-4]. Please direct all communications regarding this claim to Elite Claims Consultants, LLC." Attached to the email was the AOB, an LOR stating Elite Claims represented NEX and a Client Letter stating Elite Claims represented HO-4.

52. On September 2, 2021, Travelers referred HO-4's claim to its SIU for further investigation, because Elite Claims was representing NEX and not the insured.

53. On September 8, 2021, a Travelers investigator interviewed HO-4 who reported that he never hired a public adjuster.

54. On September 22, 2021, Travelers closed the claim.

55. As part of its investigation, on December 12, 2022, an MIA investigator interviewed HO-4 who reported that he contacted NEX to obtain a siding repair estimate. The NEX representative asked HO-4 if he wanted to use a public adjuster, which HO-4 declined. HO-4 was not aware that Elite Claims was working on his claim, he never signed anything with Elite Claims, and never spoke with anyone at Elite Claims.

#### **Homeowner 5 ("HO-5")**

56. On August 23, 2021, HO-5 initially reported a claim to Travelers for wind and hail damage to gutters and siding. Travelers opened a claim, Claim No. \*\*\*2177.

57. After learning of his deductible amount, on August 24, 2021, HO-5 withdrew his claim.

58. On September 1, 2021, HO-5 contacted Travelers again and advised that he wanted to proceed with the claim. He advised that he had water coming into his basement and a contractor told him there was damage to the siding.

59. On September 22, 2021, HO-5 signed an AOB with NEX.

60. On September 23, 2021, an NEX representative emailed Travelers instructing it to direct all claims correspondence to NEX and attached a copy of the AOB. Travelers referred HO-5's claim to its SIU as it appeared that NEX was acting as a public adjuster without a Maryland public adjuster license. Travelers also advised NEX that it would not recognize the AOB.

61. On September 27, 2021, a Travelers and an NEX representative inspected HO-5's home. The Travelers representative determined there was no wind or hail damage and the claim

was denied. The Travelers representative advised the NEX representative that he could only discuss coverage with HO-5, and the NEX representative argued that they could discuss coverage because NEX had an AOB from HO-5. The Travelers representative advised that they had already responded to the AOB issue.

62. On September 28, 2021, Travelers sent a denial letter to HO-5 and closed the claim.

63. On October 5, 2021, an NEX "adjustment representative" emailed Travelers requesting the claim denial letter. In response, Travelers advised that NEX could request the letter from the insured and provided NEX with a copy of an MHIC "Insurance Advisory for Home Improvement Contractors and Salesmen," which stated:

If you are a contractor and a customer asks you to help with an insurance claim, here is what you can and cannot do according to the law.

What contractors can do:

- Prepare an estimate of the loss.
- Discuss the estimate with their customer.
- Answer questions the insurance company has about the estimates.

What contractors cannot do, unless they are licensed as a public adjuster by the Maryland Insurance Administration:

- Investigate, appraise, evaluate, give advice or assist their customer in adjusting a claim.
- Prepare the insurance claim for their customer.
- Negotiate the claim with the insurance company on their customer's behalf.
- Advise their customer on the insurance policy's coverage.
- Advertise or provide written materials that they can negotiate or investigate a claim on their customer's behalf.

64. On October 14, 2021, an Elite Claims representative emailed Travelers an LOR, dated October 14, 2021, which stated Elite Claims represented NEX, not the policyholder.

65. On October 15, 2021, Travelers referred HO-5's claim to its SIU for further investigation, because it appeared NEX was using the AOB to justify hiring Elite Claims and the LOR was not signed by HO-5.

66. On October 18, 2021, Travelers sent a letter to HO-5 advising that it was rejecting the AOB.

67. On October 28, 2021, an Elite Claims representative emailed Travelers copies of the AOB and the LOR, as well as Elite Claims' Maryland public adjuster license, which was issued on October 22, 2021. Travelers responded that it was not recognizing the AOB or Elite Claims' representation.

68. As part of its investigation, on January 12, 2023, an MIA investigator interviewed HO-5, who reported that he did not recall the name Elite Claims, nor did NEX mention a public adjuster working on his claim.

**b. Erie's Claims:**

**Homeowner 6 ("HO-6")**

69. On July 3, 2021, HO-6 notified Erie that rain and hail caused damage to the siding of his insured home. Erie opened a claim, Claim No. \*\*\*\*\*8956.

70. On July 5, 2021, an NEX representative emailed Erie instructing it to direct all claim correspondence to NEX and attached a copy of an AOB signed by HO-6.

71. On July 16, 2021, an Erie representative conducted an inspection of HO-6's home and concluded that there was no storm damage. The Erie representative explained to HO-6 that his claim was being denied and HO-6 stated he understood. Erie then closed its file.

72. On October 11, 2021, an NEX representative emailed a supplemental estimate to Erie, along with a hail strike report and damage photos. The NEX documents identified the NEX representative as a “Claim Rep.”

73. On December 22, 2021, an Elite Claims representative emailed Erie, and attached the AOB, an LOR stating Elite Claims represented NEX, and a copy of Elite Claims’ Maryland public adjuster license.

74. On January 4, 2022, an Erie representative contacted HO-6 who advised that he was not aware that NEX hired Elite Claims. HO-6 stated that he understood Erie’s claim denial and that the claim was closed.

75. On January 5, 2022, Erie sent a letter to Elite Claims, which stated in pertinent part:

It is our understanding you represent Nationwide Exteriors and not our insured.

The contractor is not a party to our policy; therefore, we cannot provide the information you have requested.

76. On January 27, 2022, Elite Claims emailed Erie stating:

To offer some clarification, the insured signed an assignment of benefits with Nationwide Exteriors. Our representation is of the assignee of the claim. Where the policyholder, after loss, assigns his right to recover that loss, such assignment gives the assignee an equitable interest and right to recover in the name of the assignee. If Erie rejects the assignment of benefits, please provide the basis written in the policy that would support that rejection.

Elite Claims also requested a copy of HO-6’s policy and declaration page. On January 31, 2022, Erie responded to Elite Claims advising that NEX is not a party to its policy with HO-6 so it could not provide the requested information and cited the policy’s language requiring Erie’s written consent to any assignment of benefits.

77. On February 1, 2022, Elite Claims again demanded documents from Erie, stating that the AOB was enforceable in Maryland and threatened to file a complaint.

78. As part of its investigation, on December 6, 2022, an MIA investigator interviewed HO-6 who reported that NEX representatives knocked on his door and requested to inspect the roof. They advised that they found storm damage. HO-6 then filed a claim with Erie, which was denied. HO-6 was satisfied with Erie's decision. HO-6 reported that NEX representatives continued to call him for the next ten to eleven months, trying to persuade him to have his roof repaired. HO-6 was not aware that a public adjuster was involved.

#### **Homeowner 7 ("HO-7")**

79. On July 15, 2021, HO-7 reported to Erie that her insured home suffered storm damage. Erie opened a claim, Claim No. \*\*\*\*\*7143.

80. That same day, HO-7 signed an AOB with NEX.

81. On July 20, 2021, an Erie representative inspected the insured property and found damage to the siding and soft metals on the roof. Erie adjusted the claim and sent the claim settlement payment to HO-7.

82. On September 7, 2021, Elite Claims sent an email to Erie stating, "We are the Public Adjuster for our client, Nationwide Exteriors of Maryland, LLC; A/A/O; [HO-7]. Please direct all communications regarding this claim to Elite Claims Consultants, LLC..." Attached to the email was the AOB, an LOR stating Elite Claims represented NEX, and a Client Letter stating Elite Claims represented HO-7.

83. On September 29, 2021, Erie requested that Elite Claims provide documentation that it was representing HO-7. Elite Claims responded that it was representing the "Assignee of Benefits, Nationwide Exteriors." Erie then requested Elite Claims' Maryland public adjuster license number. Elite Claims responded:

There are three contracts involved: The policyholder's contract with the insurance company, Nationwide Exteriors' contract with the insured for the

Assignment of Benefits, and Elite's contract with the Assignee, Nationwide Exteriors. The insured assigned the benefits to Nationwide. We are representing Nationwide to pursue the benefits owed in relation to the claim that was assigned to them.

84. On October 1, 2021, an Erie representative spoke with HO-7 who reported that she was not aware that NEX hired a public adjuster.

85. On October 4, 2021, Elite Claims advised Erie, "Since the policyholder assigned the benefits to the contractor, a contract with the policyholder would not serve any purpose in this case."

86. On October 4, 2021, Erie referred HO-7's claim to its SIU for further investigation. On October 7, 2021, an Erie investigator took a recorded statement from HO-7 who reported that she never heard of Elite Claims and never signed a contract with Elite Claims. The only contract she signed was with NEX to replace the siding on her home.

87. On October 8, 2021, Erie sent a letter to Elite Claims advising that NEX is not a party to its policy with HO-7 so it could not provide the requested information.

88. As part of its investigation, on December 1, 2022, an MIA investigator interviewed HO-7 who reported that she was not aware that a public adjuster was involved with her claim and she never signed a public adjuster contract.

**c. Nationwide Mutual's Claim**

**Homeowner 8 ("HO-8")**

89. On July 6, 2021, HO-8 and a representative of NEX notified Nationwide Mutual that the insured home suffered hail and wind damage. Nationwide Mutual opened a claim, Claim No. \*\*\*\*63GM.

90. That same day, HO-8 signed an AOB with NEX.

91. The following day, NEX emailed Nationwide Mutual a copy of the AOB.

92. On July 9, 2021, Nationwide Mutual inspected HO-8's home and confirmed hail damage to the siding on the front, back and left elevations and to two window screens, but found no damage to the roof. On July 12, 2021, Nationwide Mutual issued payment to HO-8 and issued a partial denial.

93. On July 26, 2021, upon its request, Nationwide Mutual provided a copy of its estimate to NEX.

94. On August 5, 2021, NEX submitted a supplemental estimate to repair HO-8's roof to Nationwide Mutual. The estimate identified the NEX inspector as the "Claim Rep." On August 19, 2021, Nationwide Mutual denied the supplement.

95. On August 23, 2021, Elite Claims faxed the AOB and a Client Letter to Nationwide Mutual.

96. On August 25, 2021, Nationwide Mutual emailed HO-8 advising that it appeared that NEX was attempting to hire a public adjuster and that the Client Letter was not a binding contract. Nationwide Mutual further advised that if HO-8 wanted to hire a public adjuster, the letter of representation would need to be signed by HO-8.

97. On August 31, 2021, Rodriguez faxed the AOB, the Client Letter, and a repair estimate for HO-8's home to Nationwide Mutual.

98. On September 24, 2021, Rodriguez sent a follow-up email to Nationwide Mutual stating, "I am the public adjuster assigned to this file. Please call me at your earliest convenience to discuss a settlement. I've attached our estimate for the repairs." Nationwide Mutual declined to discuss settlement with Elite Claims, as there was no letter of representation with HO-8.

99. On September 30, 2021, Rodriguez emailed Nationwide an LOR stating Elite Claims represented NEX.

100. On October 4, 2021, Rodriguez sent an email to Nationwide Mutual stating that Elite Claims had signed an AOB with HO-8, as well as a signed LOR with NEX. Nationwide Mutual continued to refuse to discuss the claim without a letter of representation with HO-8.

101. On October 5, 2021, Nationwide Mutual's SIU initiated an investigation into HO-8's claim, as the AOB stated that Elite Claims represented NEX, not the policyholder.

102. As part of its investigation, on December 12, 2022, an MIA investigator interviewed HO-8 who reported that he hired NEX to perform repairs to his roof. HO-8 signed an AOB. HO-8 had a dispute with NEX and decided not to use NEX to perform the work. HO-8 was not aware a public adjuster was working on his claim and NEX did not advise him that a public adjuster was involved with his claim.

**d. Examination of websites and social media:**

103. An MIA investigator examined NEX's website (<https://nationwideexteriors.com>) and identified the following posts:

**From Our Satisfied Clients**

Jon helped me file the claim with my insurance company. He came the day my insurance company showed up and represented me and got me approved...

**Insurance Claim Experts**

Nationwide Exteriors is known for our deep understanding of the insurance claims process. We have overturned many claims for our clients that were previously denied or underfunded.

104. On March 17, 2023, an MIA investigator accessed the Internet Archive [<https://archive.org/>], a public domain digital library which preserves previous content from various websites. In particular, the investigator examined prior posts from NEX's website and discovered the following content from the specified dates:

February 25, 2021:

We Make the Process Simple

Our team assists you every step of the way to make sure you get the service you deserve from a contractor and from your insurance company.

FILE AN INSURANCE CLAIM WITH OUR HELP.

June 19, 2021:

WE ARE YOUR TRUSTED  
STORM DAMAGE EXPERTS AND  
INSURANCE CLAIM SPECIALISTS

You may have storm damage that qualifies you for a full replacement of your roof, siding, or gutters – all covered by your insurance company!

105. An MIA investigator identified NCV's employment recruiting website (nvcareers.com). An examination of the website revealed a video of an apparent NEX employee conducting NEX employment recruiting who stated:

The fact is, is that we're out here helping people, you can go home knowing that the money that you made was actually by helping people out and making sure that they're not being taken advantage [of] by the insurance company...

106. An examination of NEX's Facebook page from 2021 through 2022 revealed the following content and customer reviews:

- June 19, 2022: We had a great experience with Rafael! He dealt with the insurance company and kept us in the loop during the whole process which was smooth from start to finish.
- July 11, 2022:...Was having some difficulties at first with the insurance accepting us for a new roof but Bryan had the company help us out and took care of everything and got the insurance to pay for the whole roof..
- March 6, 2022...handled the insurance claim I had to do nothing, so happy with my new roof and gutters.
- April 5, 2022: Nationwide was in tough negotiations (over the span of SEVERAL weeks) with my insurance provider and was able to get my application for a new roof approved...

[facebook.com/NationwideExteriors/reviews]

107. NEX's Facebook page contains a post from October 5, 2021, which states:

In case we didn't say it before. We are getting cedar shake roofs with similar damage paid for by insurance through storm damage claims. Get an inspection if you want to know if you have similar qualifying damage.

[<https://www.facebook.com/NationwideExteriors/videos/3114685648813596>]

**e. Thomas Beenken's Interview:**

108. On July 27, 2023, MIA investigators conducted a recorded interview of Thomas Beenken, an Elite Claims employee, who stated:

- Elite Claims and NEX had an arrangement whereby NEX would refer claims with the intent that Elite Claims would represent NEX as the assignee of benefits.
- Elite Claims had an escrow account to deposit insurance proceeds.
- The purpose of the LOR was to serve as the public adjuster agreement between Elite Claims and NEX, with NEX as the assignee of benefits.
- The only payments Elite Claims received from NEX was the 20% fee stipulated in the LOR for settled claims.
- No one from Elite Claims ever met with Maryland clients or inspected/visited properties in Maryland and they do not have any "resident" Maryland adjusters. Contracts were filled out by phone and signed electronically.
- Beenken speculated that if an LOR reflected that Elite Claims represented NEX and the public adjuster contract reflected that Elite Claims represented the policyholder (as in HO-1's and HO-3's claims), that was a mistake by someone at Elite Claims. Both documents should have identified NEX as Elite Claims' client, not the policyholder.
- Regarding claims in which the Client Letter identified the policyholder as an Elite Claims client, it should have identified NEX as the client. In those cases, the Client Letter was improperly completed, and likely a mistake. The letter should have identified NEX as the client.
- In some claims, the policyholder was aware that Elite Claims had a financial interest in NEX, but not all.

109. On January 23, 2023, Dorosh, the CEO of NEX, advised an MIA investigator that NEX did nothing wrong and NEX continues to use the AOB. Dorosh added that "homeowners are in trouble if they don't have someone like us that knows what's going on...We cost insurance companies too much money....they don't like us."

## II. MARYLAND INSURANCE LAWS

110. In addition to all other relevant sections of the Insurance Article, the Administration relies on the following provisions of the Insurance Article, which apply to acts and omissions of the Respondents in the State.<sup>3</sup>

§ 4-205 provides, in pertinent part:

- (b) An insurer or other person may not, directly or indirectly, do any of the acts of an insurance business set forth in subsection (c) of this section, except as provided by and in accordance with the specific authorization of statute.
- (c) Any of the following acts in the State, effected by mail or otherwise, is considered to be doing an insurance business in the State:
  - (6) except as provided in subsection (d) of this section, with respect to a subject of insurance resident, located, or to be performed in the State, directly or indirectly acting as an insurance producer for, or otherwise representing or helping on behalf of another, an insurer or other person to:
    - (vii) investigate or adjust claims or losses;
    - (ix) in any other manner represent or help an insurer or other person to transact insurance business;
  - (7) doing any kind of insurance business specifically recognized as doing an insurance business under statutes relating to insurance;
  - (8) doing or proposing to do any insurance business that is substantially equivalent to any act listed in this subsection in a manner designed to evade the statutes relating to insurance[.]

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<sup>3</sup> The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

§ 4-212 provides, in pertinent part:

An unauthorized insurer or person that violates this subtitle is subject to a civil penalty of not less than \$100 but not exceeding \$50,000 for each violation.

§ 10-401(g) provides, in pertinent part:

(g)(1) “Public adjuster” means a person who for compensation or any other thing of value:

- (i) acts or aids, solely in relation to first-party claims arising under an insurance policy that insures the real or personal property of the insured, on behalf of the insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance policy;
- (ii) except as provided in § 10-403 of this subtitle, directly or indirectly solicits for employment as a public adjuster of insurance claims, solicits business, or represents oneself to the public as a public adjuster of first-party insurance claims for losses or damages arising out of insurance policies that insure real or personal property; or
- (iii) Investigates or adjusts losses, or advises an insured about first-party claims for losses or damages arising out of an insurance policy that insures real or personal property for another person engaged in the business of adjusting losses or damages covered by an insurance policy, for the insured.

§ 10-403 provides, in pertinent part:

(a) Except as otherwise provided in this subtitle, a person must obtain a license before the person acts as a public adjuster in the State.

§ 10-410 provides, in pertinent part:

- (a) The Commissioner may deny a license to an applicant or suspend, revoke, or refuse to renew or reinstate a license after notice and opportunity for a hearing under §§ 2-210 through 2-214 of this article if the applicant or licensee:
  - (1) has violated this article;
  - (3) has engaged in fraudulent or dishonest practices;
  - (4) has demonstrated incompetency or untrustworthiness to act as a public adjuster;
  - (8) has willfully failed to comply with or has willfully violated a proper order or regulation of the Commissioner;

- (10) is not carrying on or does not intend to carry on business in good faith while representing to the public that the person is a public adjuster;
- (b)(1) The Commissioner may deny a license to a business entity applicant or suspend, revoke, or refuse to renew or reinstate the license of a business entity after notice and opportunity for a hearing under §§ 2-210 through 2-214 of this article, if an individual listed in paragraph (2) of this subsection:
  - (i) violates any provision of this article;
  - (2) The sanctions provided for under this subsection may be imposed on a business entity if the violation was committed by an individual who:
    - (i) is a public adjuster employed by the business entity;
    - (ii)1. in the case of a limited liability company, is an officer, director, member, or manager;
      - 2. in the case of a partnership, is a partner; and
      - 3. in the case of a corporation, is a director, officer, or controlling owner; or
    - (iii)has direct control over the fiscal management of the business entity.
- (c) Instead of or in addition to suspending or revoking the license of a public adjuster, the Commissioner may impose on the licensee a penalty of not less than \$100 but not exceeding \$500 for each violation of this article.

§ 10-411 provides, in pertinent part:

- (a) A contract for public adjuster services shall:
  - (1) be in writing;
  - (2) be titled “Public Adjuster Contract”; and
  - (3) contain the following:
    - (iii) the license number issued by the Administration to the public adjuster;
    - (iv) the insured’s full name, street address, insurance company name, and policy number, if known or on notification;
    - (vii) the signatures of the public adjuster and insured;

(viii) the dates the contract was signed by the public adjuster and insured, respectively;

(ix) notification to the insured that:

(1) the public adjuster may incur out of pocket expenses on behalf of the insured;

...

(d)(1) A public adjuster shall provide to the insured a written disclosure signed by the public adjuster and the insured concerning any direct or indirect financial interest that the public adjuster or any immediate family member of the public has with any other party that is involved in any aspect of the claim other than the salary, fee, commission, or other consideration established in the written contract with the insured.

(2) The disclosure shall include any ownership of, or any compensation expected to be received from, any construction firm salvage firm, building appraisal firm, motor vehicle repair shop, or any other firm that provides estimates for work, or that performs any work, in conjunction with damages caused by the insured loss on which the public adjuster is engaged.

...

(f) Before the signing of the public adjuster contract, the public adjuster shall provide the insured with a separate disclosure document signed by the insured regarding the claim process that substantially states:

(1) Property insurance policies obligate the insured to present a claim to the insurance for consideration. There are three types of adjusters that could be involved in that process. The definitions of the three types are:

(iii)“Public adjuster” means an insurance adjuster who does not work for a company. A public adjuster works for the insured to assist in the preparation, presentation, and settlement of a claim. The insured hires a public adjuster by signing a contract agreeing to pay the public adjuster a fee or commission based on a percentage of the settlement, or another method of compensation.

...

(g)(1) The public adjuster contract shall be executed in duplicate to provide an original contract to the public adjuster and an original contract to the insured.

...

(h) The public adjuster contract will contain a statement that:

(1) the insured has the right to rescind or cancel the contract within 3 business days after the date the contract was signed;

- (2) the notice of rescission or cancellation shall be in writing and mailed or delivered to the public adjuster at the address stated in the contract within that 3-business-day period; and
  - (3) if the insured exercises the right to rescind or cancel the contract, the public adjuster shall, within 15 business days after the public adjuster receives the notice, return anything of value given by the insured under the contract.
- (i) The public adjuster shall give the insured written notice of the insured's rights under the Maryland Consumer Protection Act.

§ 10-414(a) provides, in pertinent part:

- (a) A public adjuster is obligated to:
- (1) serve the objectivity and complete loyalty the interest of the client alone; and,
  - (2) render to the insured the information, counsel, and service that will best serve the insured's insurance claim needs and interests, within the knowledge, understanding, and opinion in good faith of the public adjuster;

§ 27-203 provides, in pertinent part:

A person may not make, publish, disseminate, circulate, place before the public, or cause directly or indirectly to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, in the form of a notice, circular, pamphlet, letter, or poster, over a radio or television station, or in any other way, an advertisement, announcement, or statement that contains an assertion, representation, or statement about the business of insurance or about a person in the conduct of the person's insurance business that is untrue, deceptive, or misleading.

§ 27-405 provides, in pertinent part:

- (a) It is a fraudulent insurance act for a person to act as or represent to the public that the person is:
- (1) an insurance producer or a public adjuster in the State if the person has not received the appropriate license under or otherwise complied with Title10 of this article[.]

§ 27-408(c) provides, in pertinent part:

- (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.

### III. VIOLATIONS

111. By the conduct described herein, NEX violated the Insurance Article as follows and is therefore subject to the imposition of administrative penalties as outlined in §§ 4-212 and 27-408(c):

- NEX acted as a public adjuster in Maryland without a Maryland public adjuster license, in violation of § 10-403(a).
- NEX acted as a public adjuster in Maryland without a Maryland public adjuster license and misrepresented itself as a Maryland public adjuster by identifying its employees as “claim reps” and “adjustment representatives” within documents and correspondence sent to insurers, in violation of §§ 10-403(a), 27-405(a)(1), and 4-205(b).
- NEX advertised on its website and social media that it had negotiated with insurance companies, handled insurance claims, and gotten insurance companies to pay for roofs; represented clients in insurance claims; represented insureds; could get claims approved; was an insurance claim expert; could handle the entire claim for customers; had overturned insurance claims for clients that were previously denied or underfunded; and declared it was an insurance claim specialist, in violation of §§ 27-203 and 27-405(a)(1).

112. By the conduct described herein, Rodriguez violated the Insurance Article as follows, and his license to act as a public adjuster in the State of Maryland is subject to revocation and he is subject to the imposition of administrative penalties as outlined in §§ 4-212, 10-410(a) and (c), and 27-408(c):

- Rodriguez entered into public adjuster contracts with NEX to represent NEX in first party claims in which NEX was a contractor, not the insured, in violation of §§ 10-401(g)(1); 10-410(a)(1), (3), (4), and (10); and 10-414(a)(1) and (2).
- By representing NEX and not the insureds, Rodriguez failed to serve with objectivity and complete loyalty the interest of the insured and failed to render to the insured the information, counsel, and service that would best serve the insureds' insurance claim needs and interests, in violation of §§ 10-410(a)(1), (3), (4), and (10) and 10-414(a)(1) and (2).
- Six policyholders were unaware that they were represented by Elite Claims or Rodriguez. The insureds were not provided with a copy of an executed public adjuster contract nor were they advised of their rights under the Maryland Consumer Protection Act, in violation of §§ 10-410(a)(1), (3), (4), and (10) and 10-411(a), (d), and (f)-(i).

#### IV. SANCTIONS

113. The public justifiably expects the Administration to ensure that only competent and trustworthy public adjusters are permitted to conduct the business of insurance in the State. Respondents' conduct violated the Insurance Article. As such, Respondents are subject to sanctions under §§ 4-212, 10-410, and 27-408(c).

114. It is clear that the violations identified herein were knowing and willful, and indicative of Respondents' disregard for the laws of this State.

115. In consideration of the violations set forth above, the seriousness of those violations, and the need to protect the public by enforcement of the Insurance Article, the Administration issues the following directives and imposes the following sanctions:

- (a) NEX shall immediately **DISCONTINUE** all business activities in the State of Maryland that fall within the scope of activities defined in § 10-401.
- (b) NEX shall immediately **DISCONTINUE** making any written contract or agreement with any Maryland policyholder related to home repair or remodeling services for damages to a private residence for which the homeowner has or will make an insurance claim which authorizes or permits NEX to negotiate with an insurance company regarding the value of damages sustained by insured property or insurance coverage in connection with a first-party insurance claim, except through a person or entity licensed to act as a public adjuster in the State.

- (c) NEX shall immediately **DISCONTINUE** holding itself out as a person or entity qualified to act on behalf of Maryland policyholders in the evaluation, appraisal, estimation or negotiation of the cost to repair damages covered by a policy of insurance.

116. In addition, having considered the factors set forth in §§ 10-410 and 27-408(c)(2), the MIA has determined that:

- (a) The Maryland public adjuster license of Rodriguez is **REVOKED**;
- (b) an administrative penalty in the amount of \$15,000.00 is appropriate against NEX;  
and
- (c) an administrative penalty in the amount of \$1,500.00 is appropriate against Rodriguez.

117. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payments shall be made by immediately payable funds and shall identify the case by number (T-23-0056A) and Respondents' names (Nationwide Exteriors of Maryland or Michael Rodriguez). Payment of the administrative penalty shall be sent to the attention of: Shanice Deramus, Fiscal and Support Services, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

118. This Order does not preclude any potential or pending action by any other person, entity, or government authority, regarding any conduct by the Respondents 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 5th day of December 2024, **ORDERED** that:

- (1) Nationwide Exteriors of Maryland, LLC shall pay an administrative penalty of Fifteen Thousand Dollars (\$15,000.00) within 30 days of the date of this Order;
- (2) Nationwide Exteriors of Maryland, LLC shall amend all contracts within fifteen (15) days of the date of this Order, removing language wherein it represents a homeowner in negotiating a homeowner's insurance claim;
- (3) Nationwide Exteriors of Maryland, LLC shall otherwise fully and completely comply with Paragraph 115;
- (4) Michael Rodriguez's Maryland public adjuster license is **REVOKED**.
- (5) Michael Rodriguez shall pay an administrative penalty of One Thousand Five Hundred Dollars (\$1,500.00) within 30 days of the date of this Order.

MARIE GRANT  
Acting Insurance Commissioner

BY: Signature on original  
ROBERT GUYNN  
Associate Commissioner  
Insurance Fraud and 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