

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

SUPERIOR DESIGN &
RESTORATION
LLC

Serve on: KEITH RANDLETT
Resident Agent for Superior
8713 Cowenton Avenue
Perry Hall, Maryland 21128

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CASE NO. : MIA-2018-08-023

Fraud Division File Nos.: R-2018-2547A
R-2018-3343A

CONSENT ORDER

The Maryland Insurance Commissioner (“Commissioner”) and Superior Design & Restoration, LLC (“Superior” or “Respondent”), enter into this Consent Order pursuant to §§ 2-108, 2-204, 2-405, and 10-403(a) of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (“Insurance Article”), to resolve the matter before the Maryland Insurance Administration (“Administration”).

I. Explanatory Statement & Findings of Fact

1. Superior is a limited liability corporation with its principal office in Perry Hall, Maryland; Keith Randlett is the resident agent of Superior.

2. Erie Insurance Company (“Erie”) notified the Administration that Respondent was conducting business as a public adjuster. Homeowners insured by Erie entered into contracts with Superior which provided:

- (1) Homeowner agrees to retain Superior Design & Restoration to represent said homeowner in obtaining the insurance company’s approval for replacement and/or repairs to the property ...

- (2) Homeowner hereby empowers Superior Design & Restoration to contact the homeowner's insurance carrier and meet with their adjuster/representative to discuss damage and replacement work to be done ... in order to obtain approval, negotiate payment/settlement for the replacement/repair which will be performed by Superior Design & Restoration.
3. The Administration's investigation concluded that Superior is a licensed home improvement contractor with the Maryland Home Improvement Commission ("MHIC") and is an incorporated business in good standing. The Administration's investigation determined that Superior was not, and is not, licensed in the State as a public adjuster.
4. The Administration confirmed that Superior entered into the aforementioned contract with Maryland consumers.
5. A fraud investigator for the Administration examined Superior's website, <https://www.superiordesignandrestoration.com/insurance>, which contained the following information:

NAVIGATING THE INSURANCE PROCESS

Most homeowners have never had to go through the process of filing an insurance claim and do not know that the deck is stacked against them. Simply stated, most insurance companies are not going to be very "neighborly" when it comes to paying out the maximum amount you deserve for your damage restoration. Here's why:

PROBLEMS:

- **Agents:** Your friend throughout the years... generally wants to help out their clients... but most get bonuses at the end of the year based upon their loss claims. The more claims filed... the less their yearend bonus is.
- **Claims Adjusters:** Most are paid to minimize loss claims and incentivize(*sic*) to deny and lower out of pocket expenses for the carrier. Only want to approve bare minimums... most will rarely recommend things like code changes, and other supplements that can add up to thousands more for the homeowners job.

Superior was originally started to assist homeowners throughout the complex and often times confusing insurance process...to insure quality restoration for both the insured and the insurers. In accordance with most homeowners policies, the insurance company is responsible for the cost of repairs. At Superior, we have created a "Win/Win" strategy for all, allowing us to have helped over 2,000 customers recover over \$15 million to date with roofing, gutters, siding, interior drywall, flooring and fire & water damage claims.

WE TAKE THE DAUNTING TASK OF NAVIGATING THROUGH THE INSURANCE PROCESS... AND MAKE IT EASY!

6. The Administration's investigation determined that Respondent made, published, disseminated, circulated, placed before the public, or caused directly or indirectly to be made published, disseminated, circulated, or placed before the public advertisements, announcements, or statements that contained assertions, representations, or statements about the business of insurance or about a person in the conduct of the insurance business that were untrue, deceptive and misleading in violation of the Insurance Article, § 27-203.

7. Through its investigation, the Administration obtained executed copies of contracts from six homeowners insured by Erie. Each contract contained language identical to that referenced in paragraph 2 above, wherein Superior asserted it would represent the homeowner in all matters concerning the adjustment and negotiation of the homeowner's insurance claim with their insurer.

II. Provisions of Law

8. Three of the aforesaid contracts were entered into in 2017 and three were entered into in 2018. Sections 10-401 and 10-403, recited below, were amended, effective January 1, 2018.

9. **Section 10-401(g)** of the Insurance Article, in effect in 2017, provides as follows:

(d)(1) "Public adjuster" means a person that:

(i) solicits business or represents itself to the public as an adjuster of first party insurance claims for losses or damages arising under insurance contracts that insure the real or personal property, or both, of an insured;

(ii) receives compensation for investigating, appraising, evaluating, or otherwise giving advice or help to an insured in the adjustment of claims for losses or damages arising under insurance contracts that insure the real or personal property, or both, of an insured; or

(iii) for compensation, directly or indirectly, solicits business, investigates or adjusts losses, or advises an insured about insurance claims for losses or damages arising under insurance contracts that insure the real or personal

property, or both, of an insured for another person engaged in the business of adjusting losses or damages arising under insurance contracts that insure the real or personal property, or both, of an insured.

10. **Section 10-401(g)** of the Insurance Article (g) -- Amendment effective January 1, 2018, provides as follows:

(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.

11. **Section 10-403(a)** of the Insurance Article provides as follows in both the earlier and the amended version:

(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.

12. **Section § 27-203** of the Insurance Article provides as follows:

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.

13. **Section 27-405(a)(1)** of the Insurance Article provides as follows:

(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 Title 10 of this article[.]

14. A Public Adjuster is an insurance claim adjuster who acts as an advocate for a policyholder in appraising and negotiating a first party property insurance claim. Public Adjusters must be licensed by the Administration. Public Adjusters act as the insured's representative in dealings with the insurance company.

15. By promising that Superior will meet with the insurance company to *inter alia*, "discuss damage and replacement work to be done ... in order to negotiate the payment for the replacement/repair," Respondent represented itself as a Public Adjuster, despite lacking any such authority or license. Respondent's conduct violated § 27-405(a)(1) of the Insurance Article.

16. The parties agree to this Consent Order to avoid litigation and to fully and finally resolve all issues before the Administration. Respondent admits to the conduct described above, but denies any liability to any party because of its actions.

Order

WHEREFORE, for the reasons set forth above, it is this 17th day of August, 2018, **ORDERED** by the Maryland Insurance Commissioner and consented to by Respondent that:

- A. Respondent agrees to refrain from undertaking any future advertisement or marketing campaign that promises to represent an insured homeowner regarding a claim to an insurance company, or that otherwise asserts that Respondent is authorized to conduct Public Adjuster services in conjunction with home repairs.
- B. Respondent and its employees will cease conducting business with insurers as public adjusters, wherein Respondent's employees/representatives negotiate claims with authorized insurers.

- C. Respondent agrees to provide written notice to the Administration within 60 days of the date of this Consent Order that the contract language has been changed so that no contracts or advertisements containing the prohibited language are in effect.
- D. The executed Consent Order and notice of compliance shall be sent to the attention of: Maryland Insurance Administration, Steve Wright, Associate Commissioner, Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.
- E. The parties acknowledge that this Order contains the entire agreement between the parties relating to the administrative actions addressed herein and that this Order resolves all matters relating to the factual assertions and agreements contained herein. All time frames set forth in this Order may be amended or modified only by subsequent written agreement of the parties.
- F. Respondent had the opportunity to have this Order reviewed by legal counsel of its choosing, and is aware of the benefits gained and obligations incurred by the execution of the Order. Respondent waives any and all rights to any hearing or judicial review of this Order to which it would otherwise be entitled under the Insurance Article with respect to any of the determinations made or actions ordered by this Order.
- G. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about the Respondent made under the Maryland Public Information Act, or properly made

by governmental agencies, this Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Order.

- H. Nothing herein shall be deemed a waiver of the Commissioner's right to proceed in an administrative action or civil action to enforce the terms of this Order. Failure to fully comply with the terms of this Order may subject Respondent to further legal and/or administrative action.
- I. This Order shall go into effect upon signing by the Commissioner or his designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

**ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER**

By:

signature on original

Steve Wright, Associate Commissioner
Insurance Fraud Division

RESPONDENT'S CONSENT

Respondent Superior Design & Restoration, LLC, CONSENTS to the representations made in, and terms of, this Consent Order. On behalf of Respondent, the undersigned hereby affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and does, in fact, have the authority to bind Respondent to the obligations stated herein.

signature on original

8-10-18
Date

[Signature]
Authorized Signatory

Principal
Title