

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

REGAL CONSTRUCTION &
RESTORATION, LLC

Serve on: DIANDRA CASTON
Administrator for Regal Construction
7704 Weatherly Place
La Plata, Maryland 20646

CASE NO. : MIA-2018-10-031

Fraud Division File Nos.: R-2018-4083A

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CONSENT ORDER

The Maryland Insurance Commissioner (“Commissioner”) and Regal Construction & Restoration, LLC (“Regal” or “Respondent”), enter into this Consent Order (“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. Regal is a limited liability corporation with its principal office in La Plata, Maryland; Diandra Caston is the Administrator for Regal and Charlie Caston is the Registered Agent.

2. Travelers Indemnity Company (“Travelers”) notified the Administration that Respondent was conducting business as a Public Adjuster. A homeowner insured by Travelers entered into a contract with Regal, which provided:

Homeowner authorizes Regal to act on my behalf with the Mortgage Company... and Insurance Company (Travelers Insurance) in reference to claim(s) and matters regarding the homeowner’s residence.

3. The Administration's investigation concluded that Regal 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 Regal was not, and is not, licensed in the State as a Public Adjuster.

4. The Administration confirmed that Regal entered into the aforementioned contract with a Maryland consumer.

5. 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.

II. Provisions of Law

6. The aforesaid contract was entered into in 2018. Sections 10-401 and 10-403, recited below, were amended, effective January 1, 2018.

7. **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.

8. **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.

9. **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.

10. **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.

11. **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[.]

12. 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.

13. By promising that Regal would act on the homeowner's behalf in reference to an insurance claim 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.

14. 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 29th day of October, 2018, **ORDERED** by the Maryland Insurance Commissioner and consented to by Respondent that:

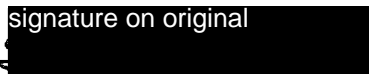
- A. Respondent agrees to refrain from undertaking any future advertisement or marketing campaign that promises to represent an insured homeowner regarding a claim to an insurance company, or that otherwise asserts that Respondent is authorized to conduct Public Adjuster services in conjunction with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

- 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.

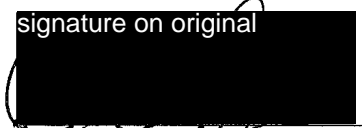
ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER

By: 
Steve Wright, Associate Commissioner
Insurance Fraud Division

RESPONDENT'S CONSENT

Respondent Regal Construction & Restoration, LLC, CONSENTS to the representations made in, and to the 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.

10-24-2018
Date


Authorized Signatory

ADMINISTRATOR
Title