

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

MAX CLAIMS SOLUTIONS, LLC

Serve on: BRANDON HOOPER,
Resident Agent
13523 Long Green Pike
Baldwin, Maryland 21013

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-01-008

Fraud Division File No.: R-2018-3626A

CONSENT ORDER

The Maryland Insurance Commissioner ("Commissioner") and Max Claims Solutions, LLC ("Max Claims" 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. Max Claims is an incorporated business with its principal office in Baldwin, Maryland; Brandon Hooper is the resident agent of Max Claims.
2. Baltimore Equitable Insurance, ("Baltimore"), an authorized insurer notified the Administration on April 23, 2018, that Respondent was conducting business as a public adjuster.
3. The Administration's investigation concluded that Max Claims was not, and is not, licensed in the State as a public adjuster, but had acted as such, evidenced by certain advertisements, (i.e. statements on its website set forth in Section 4 below), contact with

insurance carriers regarding claims; statements made by Kris Randlett (minority owner of Max Claims) that the homeowner benefited from Max Claims services, and that a Max Claims employee referred to a homeowner as a mutual client.

4. A fraud investigator for the Administration examined Max Claims' website, <http://www.maxclaimssolutions.com>, which contained the following information:

We are setting a NEW Standard of Excellence as a third party administrative service helping Restoration Contractors manage the insurance claims process in the residential/ commercial restoration market.

THE PROOF!

2017

\$5,570 - Average Supplement Approved
39% - Average Increase Per Job
\$27,312 - Largest Supplement Approved in 2017

2018

\$5,690 - Average Supplement Approved (YTD)
42% - Average Increase Per Job
\$17,882 - Largest Supplement Approved (YTD)
OVER - Approval Rate on O and P
55%
OVER - Approval Rate on Requested Supplemental Line
70% Items

Call Max Claims Today so we can discuss your needs!

MAX Supplements

Residential, Commercial, Hail, Wind, Storm, Fire, and Water Supplementation Services available. Typical turnaround time is 5-10 business days from submission to approval on residential storm claims (varies by insurance company).

MAX Estimates

Thorough estimation services provided for Restoration Contractors on insurance claims. Send us the necessary documentation and we will handle the rest the Max Claims Way!

MAX Partial Approvals

Review, re-estimate if needed, and supplement partial approvals and work with the insurance company to get the job fully approved and to code. If you have jobs in your queue that are in this category, CALL US NOW! We are happy to take a look at it!

MAX Denied Claims

Denials? Not to worry with Max Claims in your corner. Max Claims Solutions will exponentially increase the probability of getting your job approved. If you have DENIED Jobs sitting in your queue, CALL US NOW to discuss!

MAX Consulting

If MAX Consultative services is a need, shoot us an email or give us a call and we will discuss what makes the most sense for your business. If we can't deliver Max Value, then we will let you know up front.

***All Estimating/ Supplementation is completed with expert utilization of Xactimate*

II. Provisions of Law

5. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

6. Section 10-401(g) of the Insurance Article provides as follows:

(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 the 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.

7. **Section 10-403(a)** of the Insurance Article provides as follows:

(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.

8. **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[.]

9. **Section 4-205(b)** of the Insurance Article provides as follows:

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.

10. **Section 4-205(c)** of the Insurance Article provides as follows:

(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[.]

11. **Section 4-212** of the Insurance Article provides as follows:

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.

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 27-408(c)** of the Insurance Article provides as follows:

(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.

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 dealing with the insurance company.

15. Max Claims stated in its advertisements that it, *aggressively setting a NEW Standard of Excellence as a third party administrative service helping Restoration Contractors manage the insurance claims process*, inter alia, Respondent represented itself as a Public

Adjuster, despite lacking any such authority or license. Respondent's conduct violated §§ 4-205(b) & (c)(6), (7), and (8), 10-403(a), 27-203, and 27-405(a) 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 liability to any party because of its actions.

Order

WHEREFORE, for the reasons set forth above, it is this 4th day of January 2018, ORDERED by the Maryland Insurance Commissioner and consented to by Respondent that:

A. Max Claims Solutions, LLC shall pay an administrative penalty of two thousand five hundred dollars (\$2,500.00) within 30 days of the date of this Order; and

B. Max Claims Solutions, LLC will amend/delete all language on its website within forty-eight (48) hours of the date of this Order, which promises or implies it is authorized to handle insurance claims to increase profitability, *inter alia*.

C. Max Claims Solutions, LLC will not solicit business or representing itself to the public as a public adjuster of first party insurance claims for losses or damages arising under an insurance claim until or unless it is licensed as a public adjuster.

D. Max Claims Solutions, LLC will ensure as of the date of this Order that it is not soliciting business from, investigating or adjusting losses for, or advising an insured about insurance claims for losses or damages arising under insurance contracts for compensation, directly or indirectly until or unless it is licensed as a public adjuster.

E. Respondent agrees to provide written notice to the Administration within 60 days of the date of this Consent Order that its website has been changed, to Respondent's reasonable

belief, so that no statements suggesting or implying that it is a licensed public adjuster remain.

F. The executed Consent Order, notice of compliance, and administrative penalty 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 and shall identify the case by number (R-2018-3626A) and name (Max Claims Solutions, LLC).

G. 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.

H. The parties have had the opportunity to have this Order reviewed by legal counsel of its choosing, and are aware 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.

I. 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 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.

J. 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.

K. 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.

L. Failure to comply with the terms of this Consent Order may subject Respondent to further legal and/or administrative action. This Consent Order contains the **ENTIRE AGREEMENT** between the parties relating to the administrative actions addressed herein.

ALFRED W. REDMER, JR.
Insurance Commissioner

signature on original

BY:

STEVE WRIGHT
Associate Commissioner
Insurance Fraud Division

RESPONDENT'S CONSENT

Respondent Max Claims Solutions, 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.

12/19/18

Date

signature on original

[Redacted Signature]
Authorized Signatory

CEO

Title