

Brankovic was advised of the licensing requirements for public adjusters, and that one of the company employees contacted Erie, advocating for a homeowner. Brankovic stated that his employees will cease such conduct.

II. Provisions of the Law

4. The following provisions of law are relevant to the Administration's inquiry.

5. **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 real property of the insured, on 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.

6. **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.

7. **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[.]

8. **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.

9. **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[.]

10. **Section 27-407.2 Compensation for deductible.**

It is a fraudulent insurance act for a contractor offering home repair or remodeling services for damages to a private residence caused by weather, to directly or indirectly pay or otherwise compensate an insured, or offer or promise to pay or compensate an insured, with the intent to defraud an insurer, for any part of the insured's deductible under the insured's property or casualty insurance policy, if payment for the services will be made from the proceeds of the policy.

11. **Section 27-408(c)**

(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.

12. By the conduct described herein, Respondent violated § 27-407.2 and § 27-405. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

ORDER

WHEREFORE, for the reasons set forth above, it is **ORDERED** by the Commissioner and consented to by Respondent, this 8th day of May 2020, that:

- (A) Respondent shall cease acting as a public adjuster without the necessary license to do so.
- (B) Respondent shall cease waiving homeowner's insurance deductibles.

Other Provisions

- A. The executed Consent Order shall be sent to the attention of: Associate Commissioner, Fraud Division, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202 and shall identify the case by number (R-2019-3917A) and name (Fab Build Pro.).
- B. For the purposes of the MIA 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 Consent Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the MIA, the records and publications of the MIA will reflect this Consent Order.
- C. This Consent Order shall be effective upon signing by the Commissioner or his designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.
- D. This Consent Order does not preclude any potential action by the MIA, any other person, entity, or governmental authority regarding any conduct by Respondent, including the conduct that is the subject of this Consent Order.

- E. Respondent has 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 by this Order.
- F. This Order contains the entire agreement between the parties relating to the administrative actions addressed herein. No time frames set forth herein may be amended or modified without subsequent written agreement of the parties.
- G. Failure to comply with the terms of this Order may subject Respondent to further legal and/or administrative action.

ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER

By: signature on original
STEVE WRIGHT
Associate Commissioner
Fraud Division

FAB BUILD PRO, LLC's CONSENT

FAB BUILD PRO, LLC., hereby CONSENTS to the representations made in, and to the terms of, the above Consent Order. On behalf of the 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 resolving File No. R-2019-3917A.

Name: HEMANJA BRONIKOVIC

Signature: signature on original

Title: OWNER

Date: 04/27/2020