

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

ADVANTAGE HOME EXTERIORS INC.  
C/O John Paul Musto, Owner  
706A Pulaski Highway, Suite 2  
Joppa, Maryland 21085

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2020-06-025

Fraud Division File No.: T-2020-0171

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CONSENT ORDER

This Consent Order is entered by the Maryland Insurance Administration and Advantage Home Exteriors Inc. ("Respondent") pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the "Insurance Article"), to resolve the matter before the Insurance Administration (the "MIA" or the "Administration").

Explanatory Statement and Findings of Facts

1. On April 8, 2020, the Maryland Insurance Administration ("MIA") received a complaint, wherein it was alleged that Respondent violated the Insurance Article; when it advertised, on its Facebook page,

Wow what a storm! Hail is one of the only times your insurance company will completely cover your roof replacement. My Harford County based company can help with filing the claim and install your brand new roof for free. If you have an older roof that needed replacement anyway, this is like hitting the lottery!

2. An MIA investigator examined Respondent's website, as well as its Facebook page and identified another advertisement, which stated,

We are happy to work with your insurance company to get any damages repaired or replaced quickly.

3. Neither Respondent nor its employees are licensed public adjusters in Maryland.

4. On May 7, 2020, an MIA investigator interviewed Respondent's owner and confirmed that a company representative posted the aforementioned advertisements. Respondent's owner stated that he was unaware that the Maryland Insurance Article regulated this type of conduct. Respondent's owner agreed to discontinue any advertisements which suggest that Respondent would work with the insurance company, or that a consumer may get a new roof for free. Respondent's owner stated he will amend the company's handbook to prevent future violations.

## II. Provisions of the Law

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 a 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 that, 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[.]

10. By the conduct described herein, Respondent violated § 27-405(a)(1) and § 4-205(c).

#### ORDER

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

Respondent and its employees shall cease offering services which fall within the definition of acting as a public adjuster as set forth in the Insurance Article.

#### 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 (T-2020-0171A) and name (Advantage Home Exteriors Inc.).

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 her 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.

KATHLEEN A. BIRRANE  
INSURANCE COMMISSIONER

By: signature on original  
STEVE WRIGHT  
Associate Commissioner  
Fraud Division

**ADVANTAGE HOME EXTERIORS INC. CONSENT**

Advantage Home Exteriors Inc., 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. T-2020-0171.

Name: John Musto  
Signature: signature on original  
Title: President  
Date: 6-8-2020