

IN THE MATTER OF THE

MARYLAND INSURANCE
ADMINISTRATION

v.

CAPITOL INSURANCE RESTORATIONS, LLC*
801 Mallet Hill Lane
Millersville, Maryland 21108-2163

Serve On:
Robert Bilmanis
Resident Agent
801 Mallet Hill Lane
Millersville, Maryland 21108-2163

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CASE NO.: MIA-2022-09-001

Fraud Division File No.: T-22-0147

CONSENT ORDER

This Consent Order ("Consent Order") is entered by the Maryland Insurance Administration ("MIA") against Capitol Insurance Restorations, LLC ("Capitol" or "Respondent"), with the consent of Respondent, pursuant to §§ 2-108, 2-204, 2-405 and 10-403(a) of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the "Insurance Article").

FINDINGS

1. A public adjuster ("PA") is defined in the Insurance Article to include a person who, for compensation, acts for or assists a policyholder in assessing the value of, negotiating for, or effecting the settlement of a first property insurance claim under a property and casualty policy that insures the policyholder's real or personal property. *See* § 10-401(g). A person is required to be licensed to act as a public adjuster in the State. *See* Ins. § 10-403(a).
2. Capitol is a limited liability company incorporated in Maryland with its principal office in Millersville, Maryland. Robert Bilmanis ("Bilmanis") is the resident agent of Capitol and he holds a contractor and salesmen license issued by the Maryland Home Improvement Commission

("MHIC"). Neither Capitol nor Bilmanis have ever been licensed to act as a PA in Maryland as of the date of the execution of this Consent Order.

3. On April 28, 2022, a Maryland consumer notified the MIA that she discovered a Capitol business card left at her Maryland residence. On the back of the card was a handwritten message which stated,

"New full roof covered by your insurance due to discontinued shingles. Call for free inspection."

4. Consequently, the MIA's Insurance Fraud and Enforcement Division opened an investigation into the conduct of Capitol, including whether it was making representations about an insurance policy that are inaccurate, engaging in the business of insurance and/or soliciting PA services to Maryland consumers, without the requisite license to do so.

5. In the course of its investigation, an investigator for the MIA examined Capitol's website at capitolinsurancerestorations.com/storm-damage-overview, which contained the following statement and reviews related to homeowner's insurance:

Insurance Claim Assistance:

How your insurance claim is handled can make a huge difference to the quality and overall satisfaction of your storm damage restoration project. Capitol Insurance Restorations understands that your insurance claim might be your only solution left to complete much-needed repairs for your property. We work with all insurance companies. **We will even help you file your insurance claim [emphasis added]** should you need it! View the links to major insurance companies below.

Website Reviews:

- a) ...Our concerns were how to deal with the insurance. Andrew's team not only delivered what they promised to do, he kept us posted on every steps [sic] with the claim process.
- b) ...Andrew handled the roof inspection and insurance company interactions in an effective and professional way before and after the roof replacement.

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- c) ...I want to give a big "Thank you to [Capitol employee]" for providing excellent service, making our process painless with our insurance company replacing our roof...
 - d) ...We worked with Andrew who was instrumental in convincing the insurance company of the need to replace the entire roof...

Response from Business –

...We are constantly learning and evolving as insurance companies are changing guidelines.

- e) ...Capitol Insurance Restoration knew exactly what documents they needed to move the insurance claim forward'...
- f) ...he [Capitol employee] ...educated me in placing a claim with my insurance provider...he worked with the claims professional to not only assess the damage to my house, but also damage to my garage...
- g) ...He helped me to deal with the insurance company re [sic] the storm damage to my roof...
- h) ...You should call this company before you meet with your insurance claims adjuster. Bob Bilmanis knows the insurance business as well as he knows roofs...He protects your purse and helps you get what you have paid the insurance companies for...
- i) ...They assisted me with placing the claim with my insurance company...They made sure that claim as written by the insurance company included all of the necessary work...

Response from business –

That's why we pride ourselves on helping our clients through the process.

- j) ...A bad storm baldly [sic] damaged many of the roofs...Capital [sic] Restoration and Insurance handled all the insurance claims and persevered through with meeting adjuster after adjuster...

Response from business -

...I'm glad we were able to help the community out by getting a large percentage of the roofs covered by the insurance company...

- k) ...They worked with my insurance company and made the entire claim process smoothly...

Response from business –

We can't think of anything more stressful than insurance claims, so that's how we decided to help the community.

- l) ...Capitol Insurance Restorations worked with my insurance company and coordinated with State Farm...

Response from business –

Insurance claims can be a bit of a hassle, but we're always up for the challenge.

- m) ...They worked directly with the State Farm adjusters and got all the roofing, metal roofs and a portion of gutters approved which they stated were damaged...

Response from business -

...We strive to exceed your expectations and streamline the whole Indsuance [sic] process.

Capitol's Facebook Postings

- (n) ...We have over 30 years combined experience years and a vast wealth of knowledge in dealing with Insurance Adjusters, Agents, and Forensic Engineers in order to get a fair work settlement from the insurance companies.

[<https://www.facebook.com/721114634671374/photos/a.885631714886331/3974552035994268/>]

- (o) June 16, 2021...We're insurance experts and can help you get the repairs needed to make your home safe again.

[<https://www.facebook.com/721114634671374/photos/a.885631714886331/4734883443294453/>]

- (p) February 8, 2022: ...go no further than Capitol Insurance Restorations. We'll negotiate with your insurance provider on your behalf to get you the best possible offer!...

[<https://www.facebook.com/721114634671374/photos/a.885631714886331/4740374506078680/>]

- (q) February 10, 2022: The post contains a comment by a current CIR employee who states the following:

I joined this company...and learned that we really help folks obtain new roofs! We do this by representing YOU and negotiating with your homeowners [*sic*] insurance provider.

[<https://www.facebook.com/721114634671374/photos/a.885631714886331/4765347993581331/>]

- (r) February 18, 2022: The post contains an image of the Capitol logo underneath of which are the words "INSURANCE EXPERTS."

[<https://www.facebook.com/721114634671374/photos/a.885631714886331/4819370134845783/>]

- (s) March 9, 2022...Our storm damage specialists will search for any indicators that insurance companies require in order to pay the cost of a new roof!

6. Notwithstanding its failure to be licensed, Capitol has engaged, and continues to engage, in the business of public adjusting in Maryland and has otherwise violated the insurance laws of the State.

II. VIOLATIONS

The following provisions of the Maryland Insurance Article apply to acts and omissions of the Respondent in the State.¹

7. **Section 10-401(g)** of the Insurance Article provides, in pertinent part:

(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

¹ The failure to designate a particular provision in this proposed Consent Order does not deprive the Commissioner of the right to rely on that provision. The Consent Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

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.

8. **Section 10-403** of the Insurance Article provides, in pertinent part:

(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.

9. **Section 27-405** of the Insurance Article provides, in pertinent part:

(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[.]

10. **Section 4-205(b)** of the Insurance Article provides, in pertinent part:

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.

11. **Section 4-205(c)** of the Insurance Article provides, in pertinent part:

(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[.]

12. Section 27-203 of the Insurance Article provides, in pertinent part:

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 4-212 of the Insurance Article provides, in pertinent part:

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.

14. Section 27-408(c) of the Insurance Article provides, in pertinent part:

(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.

III. SANCTIONS

15. 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 MIA. Public Adjusters act as the insured's representative in dealings with the insurance company.

16. By the conduct described herein, Respondent acted as a PA, despite lacking the license to do so.

17. Respondent admits that the facts as stated herein are accurate and that it is therefore in violation of §§ 27-405(a)(1), 10-401(g), 10-403(a), and 4-205(b) of the Insurance Article as stated in this Consent Order.

18. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined and Respondent has agreed that \$2,000 is an appropriate penalty.

19. Administrative fines shall be made payable to the Maryland Insurance Administration and shall identify the case by number (T-22-0147) and name (Capitol Insurance Restorations). Payment of the administrative fine shall be sent to the attention of: Associate Commissioner, Insurance Fraud and Producer Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid fines will be referred to the Central Collections Unit for collection.

20. The parties acknowledge and agree that this Consent Order and the penalties contained therein resolves the factual allegations with respect to Respondent. Accordingly, execution of this Consent Order concludes the investigation of Respondent with respect to the allegations and findings made in this Consent Order.

21. Nothing contained in this Consent Order shall operate to prohibit Capitol Insurance Restorations, LLC or its owners or agents from obtaining a Public Adjuster license in the future; however, the underlying actions outlined in this Consent Order may be taken into consideration, along with any other relevant factors, in any licensing decision made by the MIA in the future. Nothing contained in this Consent Order shall prohibit any and all lawful advertising,

- F. The parties acknowledge that this Consent Order contains the entire agreement between the parties relating to the administrative actions addressed herein and that this Consent Order resolves all matters relating to the assertions and agreements contained herein. All time frames set forth in this Consent Order may be amended or modified only by subsequent written agreement of the parties. Petitioner agrees that no additional penalties or sanctions beyond those set forth herein may be levied against Respondent for the actions alleged and acknowledged in this Consent Order.
- G. Respondent had the opportunity to have this Consent Order reviewed by legal counsel of its choosing, and is aware of the benefits gained and obligations incurred by the execution of this Consent Order. Respondent waives any and all rights to any hearing or judicial review of this Consent 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 Consent Order.
- H. 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 MIA. For the purposes of the business of the MIA the records and publications of the MIA will reflect this Consent Order.
- I. 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 Consent Order. Failure to fully comply with the terms of this Consent Order may subject Respondent to further legal and/or administrative action.
- J. This Consent Order shall go into effect upon signing by the Commissioner or her designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

KATHLEEN A. BIRRANE
Insurance Commissioner

BY: (signature on original)
JOSEPH SMITH
Acting Associate Commissioner
Insurance Fraud and
Producer Enforcement Division

RESPONDENT'S CONSENT

RESPONDENT hereby CONSENTS to the representations made in, and the terms of, this Consent Order.

Name: Robert Bilmanis

Signature:  _____

Date: 8/29/2022