

IN THE MATTER OF
MARYLAND INSURANCE
ADMINISTRATION

v.

TITANIUM RESTORATIONS, LLC
c/o JOSEPH ALEXANDER, Owner
4201 Enterprise Road
Bowie, Maryland 20720

CASE NO.: MIA-2023-06-012

Fraud Division File No.: R-2022-0695A

CONSENT ORDER

This Consent Order is entered into by the Maryland Insurance Administration (the “MIA” or “Administration”), with the consent of Titanium Restorations, LLC (“Titanium” or “Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Maryland Insurance Article (2017 Repl. Vol. & Supp.).¹

I. RELEVANT MATERIAL FACTS:

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)(1). A person is required to be licensed to act as a public adjuster in the State. *See* § 10-403(a).

2. Respondent is a limited liability company, with a principal office located in Bowie, Maryland. Joseph J. Alexander (“Alexander”) is the resident agent and owner of Titanium. Alexander holds a contractor and salesmen license issued by the Maryland Home Improvement Commission (“MHIC”) (License No. 108998). Neither Titanium nor Alexander have ever been licensed to act as a PA in Maryland.

¹ Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

3. At all relevant times related to the facts of this Consent Order, a Titanium employee (the "Employee") was Titanium's representative for its customer, a Maryland condominium complex, hereinafter "Iverson." Titanium's Employee was never licensed to act as a PA in Maryland.

4. Iverson was insured under a property insurance policy issued by Erie Insurance Exchange ("Erie"), an authorized insurer. The policy was in effect from September 15, 2020, to September 15, 2021.

5. In April 2021, a Titanium representative inspected the roofs of the Iverson complex. The Titanium representative advised Iverson's property manager that the Iverson property suffered storm damage and that Iverson should file an insurance claim.

6. On May 25, 2021, Iverson entered into a contract with Titanium to repair the roof damage. Titanium's contract stated, in pertinent part:

I/We agree to retain Titanium Restorations to represent me/us in obtaining my/our insurance company's approval to do the replacement of (i.e., siding, roofing, gutters, etc.) and/or repairs to the property listed above.

Titanium Restorations is empowered to contact my/our insurance carrier and meet with their adjuster/representative to discuss damage and replacement work to be done to the property listed above in order to negotiate the payment/amount of damage to the property.

Upon the agreement of the insurance carrier and Titanium Restorations to the extent of the damage and cost of replacement (i.e. siding, roofing, gutters, etc.) Titanium Restorations may begin work on the above listed property.

...

Homeowner to pay deductible directly to Titanium Restorations.

...

I hereby grant Titanium Restorations permission to work directly with my insurance carrier on any adjustments (Supplemental billing) necessary for my insurance claim work scope...in order to have an accurate claim settlement work scope.

7. On July 19, 2021, Iverson's property manager notified Erie of the storm damage. Erie opened a claim, under claim number A*****74890.

8. On August 16, 2021, the Titanium Employee began communicating with the Erie claim adjuster via telephone and email, which included the following correspondence:

08/16/2021 at 7:16 pm: Employee contacted Erie by telephone and requested the status of the claim.

Subsequently, the following emails were exchanged between Employee and Erie:

08/16/2021 at 7:21 pm, Employee to Erie: I am the contractor working on Claim Number A*****74890 for [Iverson]. I have cc'd the Property Manager ... on this email as well. I wanted to introduce myself and send over our estimate of the property. I look forward to working with you.

08/21/2021 at 2:24 pm, Employee to Erie: Good afternoon [adjuster], I have not heard back from you regarding this. Could you please provide an update on this claim?...

08/23/2021 at 8:40 am, Erie to Employee: We do not discuss coverage with contractors. Once the coverage review has been completed we will follow up with the insured further.

08/23/2021 at 10:26 am, Employee to Erie: I have attached the signed contract from the insured authorizing us to speak with you regarding the claims process. I was simply asking for an update regarding whether you have had a chance to review the photos and create a scope of work. It has been **2 weeks** since the initial inspection was completed.

Employee attached Titanium's contract with Iverson to the last email.

9. On August 23, 2021, Erie referred this matter to its Special Investigations Unit ("SIU") for further investigation, because it suspected that Titanium and its Employee were acting as PAs without the requisite license to do so.

10. An Erie investigator confirmed that Titanium was not licensed as a PA in Maryland.

11. Having a good faith belief that Respondent was acting as a PA in Maryland without the requisite license to do so, Erie made a referral to the MIA pursuant to § 27-802(a)(1) of the Insurance Article. The MIA opened an investigation.

The Administration's Investigation

12. An MIA investigator interviewed Iverson's property manager (hereinafter "Amanda"). Amanda reported that residents noticed damage to the building and notified Iverson's property management company. Amanda contacted Titanium which performed an inspection of the buildings. Iverson then entered into a contract with Titanium, which performed the repairs.

13. In the course of its investigation, an MIA investigator discovered several online consumer reviews for Titanium. Many of the reviews noted that Titanium worked with the homeowner's insurer and assisted with the insurance claim. The following are excerpts from some of the reviews from Google, which were not posted by Titanium and not on Titanium's website, social media or any other platform maintained or controlled by Titanium:

- a) ...They came over quickly to assess our roof and gutters, advised us, and worked with our home insurance company to get the most of our policy...
- b) ...they [Titanium and Employee] worked directly with my insurance company to ensure everything was covered...
- c) ...Jonathan... helped me through the entire process with all the paperwork and filing the claim...
- d) Jonathan walked us thru the whole claim process...
- e) Jonathan...helped me deal directly with the insurance...
- f) ...Our Rep was very knowledgeable and helped us in dealing with our home owner insurance as we had never been through this process before...

Titanium's Facebook Postings

14. As part of its investigation, an MIA investigator examined Titanium's Facebook posts for the years 2021 and 2022. The following content was discovered:

- a) February 9, 2021: If we spot damage and think your roof needs replaced [sic] we will happily walk you through the process of filing an insurance claim. Why pay out of pocket?²

- b) July 19, 2022: Do you think you need a roof repair or replacement? Below are the steps to get your insurance involved. Call us, your local roofer...

The post contains an image with the following text:

INSURANCE CLAIM PROCESS

1. Book a roof inspection with your local roofer.
2. With evidence of damage, make a claim with your insurance.
3. Have a roof inspection together with your insurance adjuster and local roofer.
4. Schedule your roof repair or replacement with your roofer and let them do their grind.
5. Your roofer will deal with documents and payment follow-ups with your insurance.³

- c) August 16, 2022: We love tinkering and doing it ourselves...but when it comes to roofing and claims processes assistance, go for the experts. We can help you! Call us!

The post contains an image with the following text:

Titanium Restorations

Our inspectors can answer any questions you have and we can assist you with the processes of your claim⁴

Titanium's Website

15. An MIA investigator examined Titanium's website and discovered the following content:

Why Titanium Restorations:

...Our Difference is how we genuinely care about each of our customers and we will **advocate on their behalf** to get the most from insurance companies.
[*Emphasis Added*]

Why Titanium Restorations?

With our employees having years of experience in delivering quality renovations we utilize the experience and expertise of licensed insurance professionals to facilitate the claims recovery process...

II. MARYLAND INSURANCE LAWS:

³ Available at <https://www.facebook.com/titaniumrestorations/photos/a.2053374954908289/2875956485983461/>

³ Available at https://www.facebook.com/titaniumrestorations/photos/a.2053374954908289/32493942_55306347/

⁴ Available at <https://www.facebook.com/photo?fbid=473967294736473&set=a.457607883039081>

16. In addition to all other relevant sections of the Insurance Article, the Administration relies on the following provisions of the Insurance Article, which the Administration contends apply to acts and omissions of Respondent in the State:⁵

Section 10-401(g)(1) of the Insurance Article provides, in pertinent part:

(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 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.

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.

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[.]

Section 4-205 of the Insurance Article provides, in pertinent part:

⁵ The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision. The 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.

(b) 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.

(c) 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;

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.

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

(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.

III. CONSENTED TO AGREEMENT:

17. The public justifiably expects the MIA to ensure that only competent and trustworthy PAs are permitted to conduct the business of insurance in the State and with Maryland. The Commissioner may bring an action in a court of competent jurisdiction to enforce this article or an order issued by the Commissioner under this article. §§ 2-201(a) and 2-405.

18. By the conduct described above, the MIA finds that Respondent acted as a PA, despite lacking the license to do so, in violation of the Insurance Article. Respondent denies and disputes these violations, but enters into this Consent Order to fully and finally resolve the matter, and to avoid the cost and uncertainty of further litigation.

19. Respondent confirms that Paragraphs 6, 14, and 15 of this Consent Order were an accurate reflection of the content of its websites and contract and its Employee was acting on behalf of Respondent. Respondent denies liability to any party because of its actions and specifically denies any violation of the Insurance Article or applicable law.

20. In consideration of the laws cited above, the MIA and Respondent agree to the following:

- (a) Respondent will not conduct any business activities in the State of Maryland that fall within the scope of activities defined in § 10-401(g)(1);
- (b) Respondent shall not hold itself out as a person or entity qualified to act on behalf of Maryland policyholders with their insures in the evaluation, appraisal, estimation or negotiation of the cost to repair damages covered by a policy of insurance, unless Respondent obtains and maintains a PA license.

- (c) Nothing herein shall preclude Respondent from providing estimates of damage to insurers or from discussing with insurers repairs or work Respondent, as an MHIC contractor, deems necessary

21. In addition, having considered the factors set forth in § 27-408(c)(2), the MIA has determined and Respondent has agreed to pay an administrative penalty in the amount of Two Thousand Dollars (\$2,000.00).

22. The aforesaid administrative penalty shall be paid within thirty (30) days of the date of this Consent Order to the Maryland Insurance Administration. Payments shall be made by immediately payable funds and shall identify the case by number (R-2022-0695A) and Respondent's name (Titanium Restorations, LLC). Payment of the administrative penalty shall be sent to the attention of: Acting Associate Commissioner Joseph Smith, Insurance Fraud and Producer Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

23. 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.

WHEREFORE, for the reasons set forth above, it is this 1 day of June 2023, **ORDERED** by the Maryland Insurance Commissioner and CONSENTED to by Respondent, that:

- (1) Titanium Restorations, LLC shall pay the MIA Two Thousand Dollars (\$2,000.00) within 30 days of the date of this Consent Order;
- (2) Titanium Restorations, LLC shall amend all contracts, website, and social media within fifteen (15) days of the date of this Consent Order, removing language wherein it represents a homeowner in negotiating a homeowner's insurance claim; and

- (3) Titanium Restorations, LLC shall otherwise fully and completely comply with Paragraph 20 of this Consent Order.
- (4) 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. The Administration 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.
- (5) 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.
- (6) 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 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.
- (7) 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.
- (8) 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 E. SMITH
Acting Associate Commissioner
Insurance Fraud and Enforcement Division

RESPONDENT'S CONSENT

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

Name: Titanium Restorations, LLC

By:

signature on original

Signature:

Joseph Alexander, Member/Owner

Date:

5/30/23