

IN THE MATTER OF THE

\*

MARYLAND INSURANCE  
ADMINISTRATION

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CASE NO.: MIA-2023-08-017

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v.

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CASE NO.: MIA-2023-08-018

TAYLOR MADE CUSTOM  
CONTRACTING, INC.  
1944 Nelson Mill Rd.  
Jarrettsville, Maryland 21084

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Fraud Division File No.: T-2023-0263

And

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KEVIN K. TAYLOR  
OWNER/RESIDENT AGENT  
1944 Nelson Mill Rd.  
Jarrettsville, Maryland 21084

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**ORDER**

This Order is entered by the Maryland Insurance Administration (the “MIA”) against Kevin K. Taylor ("Taylor") and Taylor Made Custom Contracting, Inc. (“TMCC”) (collectively, "Respondents") pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.<sup>1</sup>

**I. RELEVANT MATERIAL FACTS**

1. A public adjuster 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).

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

2. TMCC is a limited liability construction company, located in Jarrettsville, Maryland. Taylor is its resident agent and owner. Taylor holds a contractor and salesmen license through the Maryland Home Improvement Commission ("MHIC") (License No. 46280). Neither TMCC nor Taylor has ever been licensed to act as a public adjuster in Maryland.

3. On April 14, 2023, Taylor contacted the MIA's Consumer Education and Advocacy Unit ("CEAU"), and reported:

Erie \*\*\* has been in contact to negotiate the claim with the insured although the insured has already hired us [TMCC] to do this for them, see attached. \*\*\*

Erie needs to contact us to resolve this claim. We can negotiate the scope and amounts. Erie needs to stop bothering the insured, and work with us to rebuild the property as contracted by the insured.

Attached to Taylor's complaint was a document entitled, "Insurance Claim Authorization and Declaration of Contractor of Choice," (hereinafter "Claim Authorization") which identified the Erie claim number, and stated:

I do authorize Taylor Made [TMCC] to act on our behalf concerning the above-mentioned residential insurance claim.

Taylor Made, and it's [sic] agents, are hereby authorized to estimate the damage, negotiate the claim amount, and receive any, and all, payments regarding this claim directly from our insurance company, and/or mortgage company.

Taylor made is our contractor of choice, and will perform repairs to our residence in relation to this claim, pending settlement with our insurance company. No other contractors are permitted to enter, estimate, or perform any work, unless approval by Taylor Made is expressly provided.

4. Taylor spoke to an MIA CEAU representative. He advised that he was not a licensed public adjuster. Consequently, the CEAU representative notified the MIA's Insurance Fraud and Producer Enforcement Division, which opened an investigation.

5. As part of its investigation, an MIA investigator conducted a Maryland public adjuster license search for TMCC and Taylor. Neither have ever been licensed as Public Adjusters in Maryland.

6. Notwithstanding their failure to be licensed, TMCC and Taylor have engaged in the business of public adjusting in Maryland and have therefore violated the insurance laws of the State.

7. An investigator for the MIA examined Erie's homeowner insurance policy, which was in place for coverage under the above referenced claim. The policy specifically stipulated:

Assignment

"Interest in this policy may be transferred only with "our" written consent. "We" may require evidence that all "Named Insureds" approve the assignment. "

8. Under Maryland law, the above-cited provision in the Erie insurance policy is lawful and enforceable, and invalidates any attempt by Respondents to obtain an interest in the policy. *Dwayne Clay, MD., P. C. v. GEICO*, 356 Md. 257 (1999).

9. An MIA investigator examined Erie's claim log notes and identified the following emails Taylor sent to the Erie's representative, in pertinent part:

January 23, 2023:

\*\*\*Thanks for your time on the phone earlier, and if you would please forward any relevant info on the claim, we'll do our best to help. \*\*\*

January 30, 2023:

Please forward the relevant claim info from your adjusters.

March 13, 2023:

\*\*\* I've met with the insured (both of them), and prepared our estimate for the repairs. Obviously, we're pretty far apart, so please call the office to discuss this at your earliest convenience. \*\*\*

April 13, 2023:

We will not be able to work with this Erie representative. He is \*\*\*. We will be filing a formal complaint against Erie with the Maryland Insurance Administration tomorrow morning specifically mentioning \*\*\* by name.

If there is another person at Erie that would like to take over the claim process, we would be willing to begin anew with them.

April 14, 2023:

\*\*\*Our current agreement with the insured specifically prohibits anyone from entering the work area without a Taylor Made representative. Needless to say, this is our active construction site, and absolutely nobody is allowed in that space for obvious insurance reasons, at a minimum. We forwarded this agreement [Claim Authorization] to your adjuster several months ago. We have attached another copy below for your reference. The insured has already hired us. You need to work with us. \*\*\*

\*\*\* Please know that we will do what is necessary to help the insured realize a thoroughly completed rebuild from their insurance company. To be clear, an independent consultant, contractor, adjuster, or any other person, is not permitted onsite without an accompanying Taylor Made representative. \*\*\*

\*\*\* Erie has several qualified staff to address this small claim, we have done just this with Erie for several years. We all know \*\*\* really screwed up this claim from the beginning, and I'm hoping you- or someone else from your office- will be able to work with us.

\*\*\*Erie has already taken at least two attempts at an estimate, without consulting us at all concerning the scope, the amounts, or any specific item on this claim even though they were specifically directed to do so, in writing- see attached. [Claim Authorization] \*\*\*

\*\*\*Should you need to have another party access the property, they must contact our office to arrange an inspection at our earliest convenience. **We adamantly stand between Erie, and the insured** [emphasis added]. To prevent further mishandling of this claim. \*\*\*

10. An MIA investigator contacted the Erie insured who provided the following email correspondence he had with Taylor:

April 14, 2023:

We [TMCC] successfully filed the complaint with the regulatory agency for Erie. The written text is attached here. I expect to hear from someone in their office on

Monday or Tuesday. By Wednesday, we'll escalate if nothing has transpired. Have a great weekend, and we're looking to get started before this month's end!

April 23, 2023:

\*\*\*You hired me to work with Erie. I did just that, then you two decided to not follow our instructions and proceeded to negotiate with Erie while I was doing g it!?!? [*sic*]

We will not plan to **refund any monies for our efforts with Erie in your behalf** [*emphasis added*] \*\*\*

## II. MARYLAND INSURANCE LAWS

11. The following provisions of the Maryland Insurance Article apply to acts and omissions of the Respondents in the State.<sup>2</sup>

**Section 10-401(g)** 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.

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<sup>2</sup> 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.

**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(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.

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

(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:

(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

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(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. VIOLATIONS

12. By the conduct set forth above, Respondents violated the Insurance Article by acting as a public adjuster despite lacking the requisite license to do so.

13. Taylor is the owner of TMCC. Taylor personally committed, inspired, or participated in the acts of a public adjuster without the requisite license to do so, in violation of § 4-205(b) and (c).

In particular:

- Respondents entered into a Claim Authorization agreement to act on our behalf of an insured regarding a residential insurance claim;
- Proclaimed, within the Claim Authorization that it was authorized to negotiate the claim amount;
- Declaring that Respondents can negotiate the scope of work [with Erie].
- Even declaring compensation in Taylor's April 23, 2023 email in which he said, "We will not plan to **refund any monies for our efforts with Erie in your behalf.**"
- Stating in his complaint to the MIA that Erie \*\*\* has been in contact to negotiate the claim with the insured although the insured has already hired us [TMCC] to do this for them and
- Erie needs to contact us to resolve this claim...

14. The public justifiably expects the MIA to ensure that only competent and trustworthy public adjusters are permitted to conduct the business of insurance in the State and with Maryland. Respondents' conduct violated §§ 27-405(a)(1), 10-403(a), and 4-205(b) and (c) of the Insurance Article. Respondents did not have a license as required under § 10-403 to act as a public adjuster.

#### IV. SANCTIONS

15. Insurance fraud is a serious violation, which harms consumers in that the losses suffered by insurance companies are passed on to consumers in the form of higher premiums. 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. Insurance Article §§ 2-201(a) and 2-405.

16. In consideration of the violations set forth above, and the need to protect the public by the enforcement of the Insurance Article, the MIA issues the following directives and imposes the following sanctions:

- (a) Respondents shall immediately **DISCONTINUE** all business activities in the State of Maryland that fall within the scope of public adjusting activities defined in § 10-401;
- (b) Respondents shall not make any written agreement or authorization for Respondents to negotiate with an insurance company regarding the value of damages sustained by insured property or insurance coverage in connection with a first-party insurance claim.; and
- (c) Respondents shall immediately **DISCONTINUE** holding themselves out as persons or entities qualified to act on behalf of Maryland policyholders' in the facilitating and/or negotiation of insurance coverage.

17. In addition, having considered the factors set forth in § 27-408(c)(2), the MIA imposes an administrative penalty in the amount of \$2,000.00 against Respondents, to be paid jointly and severally.

18. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by immediately payable funds and shall identify the case by number (T-2023-0263) and Respondent name (Taylor Made Custom Contracting, Inc. and Kevin K. Taylor). Payment of the administrative penalty shall be sent to the attention of: Acting Associate Commissioner Joseph Smith, Insurance Fraud & Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.



19. This Order does not preclude any potential or pending action by any other person, entity, or government authority, regarding any conduct by Taylor Made Custom Contracting, INC. including the conduct that is the subject of this Order.

**WHEREFORE**, for the reasons set forth above, and subject to Respondents' right to request a hearing, it is this 17th day of August 2023, **ORDERED** that:

- A) Kevin K. Taylor and Taylor Made Custom Contracting, Inc. shall jointly and severally pay an administrative penalty of Two Thousand dollars (\$2,000.00) within 30 days of the date of this Order;
- B) Kevin K. Taylor and Taylor Made Custom Contracting, Inc. shall otherwise fully and completely comply with Paragraph 16 of this Order.

KATHLEEN A. BIRrane  
Insurance Commissioner

BY: signature on original  
JOSEPH E. SMITH  
Acting Associate Commissioner  
Insurance Fraud & Producer Enforcement Division

**RIGHT TO REQUEST A HEARING**

Pursuant to § 2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to § 2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is served. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Executive Assistant to the Deputy Commissioner. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against the Respondent in a Final Order after hearing.