

**OFFICE OF THE INSURANCE COMMISSIONER  
MARYLAND INSURANCE ADMINISTRATION**

C.G.<sup>1</sup>

\*

**Plaintiff,**

\*

v.

\*

**Case No. 27-1001-23-00004**

**ALLSTATE VEHICLE AND  
PROPERTY INSURANCE  
COMPANY**

\*

\*

**Defendant.**

\*

\* \* \* \* \*

**DECISION**

C.G. (“Plaintiff”) has alleged that Allstate Vehicle and Property Insurance Company (“Defendant”) breached its contractual obligations by failing to pay Plaintiff’s first-party claim for damages under the terms of a homeowner’s insurance policy (the “Policy”) issued to Plaintiff by Defendant. Plaintiff asserts that Defendant failed to fully pay Plaintiff’s claim for damage to Plaintiff’s home located in Faulkner, Maryland (the “Dwelling”) caused by a hail storm on May 5, 2021 (the “Claim”). Pursuant to Section 27-1001 of the Insurance Article of the Annotated Code of Maryland, the Maryland Insurance Administration (the “Administration”) concludes that Plaintiff has not demonstrated that Defendant breached any duties owed to Plaintiff or otherwise failed to act in good faith in connection with the Claim.

**I. STANDARD OF REVIEW**

Section 3-1701 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland (“Section 3-1701”) authorizes the award to an insured of certain statutory remedies if

---

<sup>1</sup> The Maryland Insurance Administration (MIA) uses initials to protect the plaintiff’s privacy.

the insured demonstrates that the insurer failed to act in good faith in denying, in whole or in part, a first-party property insurance or disability insurance claim. However, before the insured may file an action pursuant to Section 3-1701, Section 27-1001 requires that the insured first submit a complaint to the Administration.

Section 27-1001 defines “good faith” as “an informed judgment based on honesty and diligence supported by evidence the insurer knew or should have known at the time the insured made the claim.” The Administration in rendering a decision on the complaint is required by Section 27-1001(e)(1)(i) to focus on five issues:

1. Whether the insurer is required under the applicable policy to cover the underlying claim;
2. The amount the insured was entitled to receive from the insurer;
3. Whether the insurer breached its obligation to cover and pay the claim;
4. Whether an insurer that breached its obligation failed to act in good faith; and
5. If there was a breach and the insurer did not act in good faith, the amount of damages, expenses, litigation costs and interest.

A plaintiff has the burden of proof and must meet this burden by a preponderance of the evidence. *See* Md. Code Ann., State Gov’t Art., section 10-217; *Md. Bd. Of Physicians v. Elliott*, 170 Md. App. 369, 435, *cert denied*, 396 Md. 12 (2006).

## **II. PROCEDURAL BACKGROUND**

On January 5, 2023, the Administration received Complaint No. 27-1001-23-00004 (the “Complaint”) stating a cause of action in accordance with Section 27-1001. In the Complaint, Plaintiff alleged his public adjuster submitted an estimate to Defendant in the amount of \$102,942.88, as the amount required to restore the Dwelling to its pre-loss condition. However, Plaintiff alleges that the Claim remains unpaid. Plaintiff asserts that Defendant

willfully and consistently failed to make a judgment on Plaintiff's claim based on honesty and diligence; willfully and consistently ignored the facts of the Claim; refused to justify its position with regards to denying coverage; refused to negotiate or discuss the Claim in clear terms with Plaintiff's public adjuster; and refused to provide Plaintiff's public adjuster with a certified copy of Plaintiff's Policy. Plaintiff contends that Defendant has refused to act in good faith and failed to provide full indemnification on Plaintiff's claim.

As required by Section 27-1001(d)(3), the Administration forwarded the Complaint and accompanying documents to Defendant on January 12, 2023. Defendant provided a timely response to the Complaint and accompanying documents as required by Section 27-1001(d)(4) on February 13, 2023. In Defendant's response to the Administration, Defendant acknowledged that Plaintiff's Policy provided dwelling coverage with policy limits of \$210,00.00, with a deductible in the amount of \$1,500.00 for wind/hail. Additionally, the Policy has a Roof Surfaces Endorsement which contains a schedule for the depreciated amount of the replacement cost of repairs to roof surfaces, depending on the age of the roof and roofing material. The Policy does not provide additional coverage for repairs necessitated to comply with local building codes, a siding and restoration endorsement for matching when the current roofing material is no longer available, or extended coverage for roof surfaces.

### **III. FINDINGS**

Based on a complete and thorough review of the written materials submitted by the parties, and by a preponderance of the evidence, the Administration finds Plaintiffs have not established by a preponderance of the evidence that they are entitled to coverage for the Claim under the Policy.

Plaintiff alleges that a hail storm on May 5, 2021 caused damage to the roof of the Dwelling, and that he reported the loss to Defendant on May 6, 2021. On May 7, 2021, Defendant scheduled a virtual inspection by a third party vendor, Hancock Claims Consultants (“Hancock”). On May 7, 2021, Plaintiff confirmed that the damage to the exterior of the Dwelling and there was no interior damage. The virtual inspection was scheduled for May 14, 2021.

On May 14, 2021, Defendant completed a virtual inspection of the Dwelling with Hancock and Defendant’s inside adjuster, Terrance Munson (“Adjuster Munson”). During the inspection, Plaintiff advised of damage to a detached garage. Plaintiff did not report any interior water damage, therefore, the interior of the Dwelling was not inspected. While Adjuster Munson noted mechanical damage to many areas of the roof and siding, both Hancock and Adjuster Munson concluded there was no hail damage sustained to the roof of the Dwelling or the detached garage. On May 15, 2021, a denial letter was sent to Plaintiff on May 15, 2021. As the basis for the denial, Adjuster Munson stated, “No hail damage was found. Damage was mechanical in nature.” The letter also cited to the following language from the Policy, “Losses we cover Under Coverages A and B; We will cover sudden and accidental direct physical loss to property described in Dwelling Protection – Coverage A and Other Structures Protection – Coverage B except as limited or excluded in this policy.”

By email dated June 4, 2021, Semper Fi Public Adjusters, LLC (“Semper Fi”) notified Defendant that it had been retained to handle the claim on Plaintiff’s behalf. Defendant acknowledged receipt of Semper Fi’s letter of representation the following day. By email dated June 13, 2021, Defendant sent a copy of the May 15, 2021 denial letter to Joseph Kriner of Semper Fi (“Adjuster Kriner”). Adjuster Kriner replied to Defendant’s email advising his

disagreement with the claim denial letter. By email dated June 15, 2021, Defendant notified Adjuster Kriner that it sent a certified copy of the Policy.

On July 5, 2021, Defendant received Semper Fi's estimate and photographs showing damage to the Dwelling as a result of hail damage. The estimate totaled \$102,942.88 and included replacement of the entire exterior of the Dwelling and the detached garage, including the metal roofs on the Dwelling and the detached garage, removal and replacement of all roofing components, removal and replacement of the wood sheathing underneath both metal roofs, replacement of all metal siding on the Dwelling, and replacement of the HVAC air handler on the exterior of the Dwelling. Of note, the photographs submitted by Semper Fi do not identify any hail damage to the metal roof of the Dwelling or the detached garage. Instead, all of the damage allegedly caused by the hail storm is identified on the metal siding of the Dwelling. Additionally, Semper Fi's estimate included repairs and/or upgrades required to comply with local building codes such as adding upgraded flashing, drip edges, gutter apron, step flashing and adding moisture barrier when replacing all of the metal siding. Because the Policy does not provide the additional building codes coverage, the code upgrades included in Semper Fi's estimate are excluded. Additionally, Semper Fi's estimate attached excerpts of the ICC which are not applicable since both the insured residence and the detached garage have metal roofs, not asphalt composition shingles.

By email dated July 14, 2021, Defendant notified Adjuster Kriner of its intent to conduct another inspection of the Dwelling. Adjuster Kriner questioned the need for another inspection of the Dwelling and stated that he planned to attend.

On July 19, 2021, Defendant assigned the Claim to another adjuster. Thereafter, Defendant made several unsuccessful attempts to reach Plaintiff and Adjuster Kriner to schedule

the second inspection. On August 12, 2021, Adjuster, Kriner sent an email to Defendant demanding full payment based on Semper Fi's estimate. Defendant responded on August 13, 2021, stating that based on the initial inspection, there was no storm related direct physical damages to the Dwelling. Moreover, based on Semper Fi's estimate and photographs, there was no indication of storm related damage. Adjuster Kriner responded on August 13, 2021, stating that Defendant "has the right to send out whomever you choose but Semper Fi Public Adjusters does not feel an engineer is warranted."

Defendant then hired Forte Consulting & Investigations, LLC ("Forte"), to complete a second inspection of the Dwelling. The inspection was scheduled for August 19, 2021, however, Adjuster Kriner did not attend and Plaintiff did not allow Forte to complete the inspection. Defendant later explained to Adjuster Kriner that a second inspection was necessary and that any revised estimate would be prepared and shared with Plaintiff. Forte was then able to complete its inspection on August 26, 2021 with Adjuster Kriner present. On August 27, 2021, Adjuster Kriner sent another email demanding payment and again disputed the need for a second inspection of the Dwelling.

On September 8, 2021, Defendant received a written report from Forte from the August 26, 2021 inspection. Based on Forte's report, there was no hail event on the date of loss. Additionally, prior to May 5, 2021 date of loss, the last hail storm occurred on April 17, 2017. Additionally, the engineer did not find any hail damage on the detached garage. Instead, the engineer observed indentations and punctures characterized as mechanical damage.

On September 17, 2021, Defendant provided a copy of the engineer's report to Adjuster Kriner. Then, on September 21, 2021, Defendant received a letter of representation from Plaintiff's attorney, Allan Poteshman, Esquire of Chevy Chase Law, PLLC

(“Plaintiff’s attorney”). On September 27, 2021, Defendant sent an acknowledgment letter to Plaintiff’s attorney, a copy of the Forte report and a certified copy of the Policy.

While Defendant attempted to reach Plaintiff’s attorney by telephone and by letters on October 27, 2021 and December 9, 2021 to discuss the Claim, Defendant received no further communication from Plaintiff or Plaintiff’s attorney until the Complaint was filed.

#### **IV. FINDINGS**

Defendant maintains that it has timely and promptly investigated the damages claimed by the Plaintiff, including the estimates written by Semper Fi, most recently in the amount of \$141,349.17. While Defendant contends that the estimate submitted with the Plaintiff’s Complaint was never submitted to Defendant, Defendant notes that it includes approximately \$40,000.00 in additional costs than the estimate previously submitted to Defendant. Specifically, the revised estimate contains additional costs for interior damage to a storage room and bathroom of the Dwelling, and a line item for a mitigation invoice in the amount of \$6,846.07. Defendant asserts that the mitigation invoice was also never provided to Defendant.

Defendant contends there was no claim for interior damage previously asserted by the Plaintiff, and that no damage to the metal roofs of the detached garage and Dwelling was observed during both inspections of the Dwelling. Additionally, Semper Fi’s revised estimate includes the public adjuster’s fee, which is specifically excluded under the Policy, as well as code upgrades which are not covered under the Policy.

Defendant maintains that Semper Fi has failed to establish there is coverage for the Claim, given that no hail damage was identified in Semper Fi’s photos of the metal roofs of the Dwelling and detached garage, and no weather reports documenting a hail storm in the area surrounding the Dwelling on or around the date of loss was provided. Defendant contends that

the majority of the indentations observed in the metal siding of the Dwelling were mechanical damage. Plaintiff has not submitted any evidence to contradict the findings in the Forte report.

Despite the allegations in the Complaint, Plaintiff has not demonstrated that Defendant's decisions were not supported by evidence, or that Defendant ignored the facts presented by the Plaintiff or Semper Fi. Additionally, Plaintiff has not demonstrated that Defendant refused to justify its position, or refused to discuss or negotiate the Claim with Semper Fi.

Based on these findings, Plaintiff has not met his burden of proving that Defendant breached any obligation owed under the Policy or that he is entitled to any payment under the policy.

#### **IV. CONCLUSIONS OF LAW**

In accordance with Section 27-1001, the Administration concludes:

1. Plaintiff established by a preponderance of the evidence that Defendant is obligated under the policy to cover the Claim.
2. Plaintiff did not establish by a preponderance of the evidence that Defendant failed to provide the coverage required under the Policy.
3. Plaintiff did not establish by a preponderance of the evidence that he is entitled to additional damages as a result of the Claim.
4. Plaintiff did not establish by a preponderance of the evidence that Defendant breached its obligation under the policy to cover and pay the Claim.
5. Since a breach is a necessary element of a failure to act in good faith, Plaintiff did not establish a failure by Defendant to act in good faith.
6. Plaintiff is not entitled to expenses and litigation costs.

#### **ORDER**

Based on the foregoing findings of fact and conclusions of law, it is

**ORDERED** on this 5<sup>th</sup> day of April, 2023, that Defendant did not violate Section 27-1001 of the Insurance Article of the Maryland Annotated Code; and it is further



**ORDERED** that pursuant to Section 27-1001(f)(3), this Final Order shall take effect if no administrative hearing is requested in accordance with Section 27-1001(f)(1).

**KATHLEEN A. BIRRANE**  
Insurance Commissioner

signature on original

---

Erica J. Bailey  
Associate Commissioner- Office of Hearings

**APPEAL RIGHTS**

**If a party receives an adverse decision, the party shall have thirty (30) days after the date of service (the date the decision is mailed) of the Administration's decision to request a hearing, which will be referred to the Office of Administrative Hearings for a final decision under Title 10, Subtitle 2 of the State Government Article of the Annotated Code of Maryland. MD. CODE ANN., INS. ART., §27-1001(f).**