

The NIRC has recently launched a petition against Managed Repair Programs!

[Read and sign the petition!](#)

Consumer rights advocacy organization fights to end insurance corruption

Orlando, Fla. — The National Insurance Restoration Council (NIRC) launches petition to improve the insurance restoration process for both contractors and property owners throughout the nation. The NIRC is 501c3 nonprofit, consumer advocacy organization focused on improving case law and legislation to protect both consumers and contractors when dealing with insurance claims. The NIRC recently requested that all the states Department of Insurance begin immediate review and investigation into the practice of insurance companies utilizing Managed Repair Programs (MRP) for property claims. The members of NIRC consider this practice of MRPs to be a major conflict of interest and harmful to consumers. Learn more and sign the petition here <http://bit.ly/NIRC-Petition>

“The damage of the Managed Repair Programs affects both licensed contractors and property owners. In some cases, MRPs violate state laws, promote poor workmanship, underpayment of claims, and unethical business practices, all in an effort to reduce claims payouts. Consumers can suffer severely from this practice, and often bear severe consequences. In many cases, not all the covered damage is repaired, the work and materials are substandard and the consumer property value is diminished,” says Joe Radcliff, president of the National Insurance Restoration Council.

According to the NIRC, MRPs violate state laws for the unauthorized practice of public adjusting (UPPA.) Some insurance carriers have adopted MRPs, utilizing select contractors. The programs may constitute price fixing through the use of set prices that do not reflect current market rates, and allow these select contractors to waive deductibles as an incentive to break contracts.

The NIRC is a consumer advocacy organization that serves the common interest of insurance restoration contractors while also protecting consumers from unethical practices. The NIRC is dedicated to industry reform by providing a certified, vetted member network of contractors to property owners throughout the nation. NIRC accreditation approvals are vetted by Global Risk Management Solutions (GRMS), an independent 3rd party that provides companies and organizations with compliance management services. The NIRC prestigious certification and stringent vetting protocol has set the industry standard for contractor screening and consumer protection. The NIRC is dedicated to fighting for consumer rights and industry reform by demanding ethical business practices and exposing programs and companies that may potentially hurt property owners and licensed contractors.

About the National Insurance Restoration Council

Headquartered in Orlando, Florida, the National Insurance Restoration Council (NIRC) is a non-profit organization devoted to protecting and educating property owners and restoration

contractors when dealing with insurance claims. The NIRC acts as the principal advocate for improved legislation and case law to protect consumers and contractors when dealing with insurance claims throughout the nation. The NIRC serves the common interest of insurance restoration contractors and protects consumers from unethical contractors. Vetted and certified NIRC certified contractors adhere to a strict code of professional conduct, educate property owners about the insurance restoration process, and give back to communities in storm damaged areas. NIRC certified contractors go through an extensive background check to become members of the *Diamond Standard* code of business. The NIRC as a self-regulated entity and cooperates with the Department of Insurance (DOI) and other regulatory authorities throughout the United States to improve the ethics of the industry through education and high standards. Learn more at www.NIRC4Change.org.

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Managed Repair Program Reform for Insurance Property Claims. End insurance corruption.

I write on behalf of the officers, directors and members of the National Insurance Restoration Council. (NIRC) is a non-profit organization devoted to assisting and educating property owners, restoration contractors, public adjusters, appraisers and umpires when dealing with insurance claims. NIRC is requesting that all the states Department of Insurance to undertake an immediate review and investigation in to the practice of insurance companies adopting a method of operations in utilizing Managed Repair Programs (MRP) for property claims. The members of NIRC consider this practice to be a major conflict of interest and harmful to consumers. Insurance carriers have adopted managed repair programs, utilizing contractors. The programs violate state laws for the unauthorized practice of public adjusting (UPPA); constitute price fixing through the use of set prices that do not reflect current market rates and allowing these contractors to waive deductibles as an incentive to break contracts the consumers have entered into with a contractor of their choice. The programs promote the underpayment of claims, poor workmanship and unethical business practices, all in an effort to reduce claims payouts. The consumers are the ones that bear the consequences of these practices as not all the covered damage is repaired, the work and materials are substandard and the consumer property value is diminished. While the NIRC recognizes the need for industry reform to combat insurance fraud and the conduct of unethical contractors and public adjusters, the managed programs are not the answer. In the majority of cases the Managed Repair Programs (MRP) are doing more damage to consumer. There are several big issues that are occurring that need to be addressed:

- The Managed Repair Programs (MRP) contractors are owned or controlled by the insurance carriers or adjusting firms retained by the carriers. The consumer is lead to believe the Managed Repair Programs (MRP) is independent, which is not the case with these programs. The Managed Repair Programs (MRP) contractor is not there to investigate the damage, but is there to limit the claim payout as directed by the carrier. An example of a carrier that follows this exact design is People's Trust in the State of Florida and the managed care contracting company directly connected to People's Trust is Rapid Response.
- The NIRC has collected evidence showing insurance carriers price fixing material costs and not paying market value on products used for the repair processes to restore properties to a pre-loss condition. Managed Repair Programs (MRP) are being utilized to force consumers and their contractors of choice to join their Managed Repair Programs (MRP) due to insurance companies refusing to pay market value which leads to a considerable growth in bad faith claims and appraisals. Big contributors to this new trend is the MadSky, Crawford's Contractor Connection, Lionsbridge Contractor Group, First Choice Repair, Innovation Property and other insurance preferred contractor programs. The NIRC has great concerns in how carriers are only authorizing the pricing the MadSky Managed Repair Programs (MRP) has set as a value for products and not utilizing the market value of products that suppliers are charging to the contractors the insurance consumer has hired under contract.
- Insurance carriers are pushing the Managed Repair Programs (MRP) on to their consumers by stating in writing that if they chose their Managed Repair Programs (MRP) that the contractor whom they send out will waive their deductible because the carrier gets a high volume discount. In most states it is illegal for contractors to waive deductibles or give marketing compensation to any client in order to gain their business. Contractors that have chosen not to be a part of Managed Repair Programs (MRP) are then forced to either match the offers being made, which results in them violating the law, or lose the client.
- Insurance carriers have been adopting Managed Repair Programs (MRP) and the contractors associated with them to violate state laws-in the unauthorized practice of public adjusting (UPPA). It has been a growing trend for only the managed repair contractors to perform the inspections, to investigate the loss, inspect for damages, determine causation and set the value for repairs without having a single licensed insurance adjuster ever come out to the property. The insurance consumer in almost all cases only has a phone conversation with a desk adjuster to finalize the claim and then is pressured into choosing their preferred contractor program. An example of this method of operations is the MadSky Managed Repair Program (MRP). A MadSky contractor performs the inspection at the property and then by Skype or face time call with the desk adjuster at another location makes the claims decision. The NIRC finds this to be in direct violation of most if not all states laws-in the unauthorized practice of public adjusting (UPPA).
- Consumers are being misled in the belief that the construction company being sent out is a restoration contractor handpicked by the carrier and specifically qualified to make the needed repairs but in fact the only reason they are there is because they agreed to follow the rules of Managed Repair Programs (MRP) and associated price structure. This is all very misleading and puts the homeowner in a position to think this is a quality company selected by their insurance co when this is not the case.

- When the Managed Repair Programs (MRP) vendor assigned to complete the repairs the burden of the quality is on the consumer. When a consumer has no choice in who makes the repairs and is not allowed to participate in decision of choosing a contractor the consumer should not be responsible for the outcome. When the consumer is allowed to choose a competent restoration professional they will in most cases check references and look at several other projects the contractor has performed. If an insurance company is going to exercise their “option” to repair or replace the carrier needs to be responsible for the quality of the repair and readily accept responsibility for mistakes made.

A growing trend is the threats of denying property claims if the consumer refuses to allow the insurance carrier to perform the repairs utilizing a Managed Repair Programs (MRP) vendor. Consumers are being forced to break contracts with their contractor of choice and having their claim amounts reduced and items not covered that have been affected in the loss due to the consumer not having proper representation from a contractor or public adjuster that has their best interest in mind. One of several carriers engaged in this practice on a regular basis is Olympus Insurance.

- One of the major issues that we feel needs to be reformed is the requirements to inform a consumer of the full understanding of the "Option" to repair when the policy is sold. We have found that most consumers are unaware of the policy language that has taken their rights away to have their contractor of choice perform the repairs needed to their property. In many instances the “option” to repair is seemly at odds with the “Loss Payment” provision that often states “we will pay you unless some other person is named in the policy or is legally entitled to receive payment...” when the insurance carrier sends payment directly to the Managed Repair Program (MRP) vendor. Managed Repair Programs (MRP) is one of the several initiatives that the National Insurance Restoration Council has chosen to undertake for reform as over the recent years we have seen it be used to impede the rights of consumers. We strongly recommend that the NAIC reviews all such activities as the Managed Repair Programs (MRP) adversely affects the rights of consumers. We ask that you sign our petition in support for reform to protect your interests and let your voice be heard. Sincerely, Joseph Radcliff President National Insurance Restoration Council.

This petition will be delivered to: National Insurance Restoration Council