

How a ‘shady’ insurance lawyer sucked homeowners into his alleged ripoff scheme

<https://www.msn.com/en-us/news/us/how-a-shady-insurance-lawyer-sucked-homeowners-into-his-alleged-ripoff-scheme/ar-BB1bEANE>

by Ron Hurtibise, South Florida Sun Sentinel

It can happen to anyone: Someone knocks on your door and says they’re a repairman or an insurance expert and can fix damage to your home at no cost to you. They might say they can get you a new roof. Or a new kitchen.

Your insurance company will get the bill, they’ll say, and you won’t be out a penny.

Watch out. You’re about to be sucked into a thriving insurance scam that’s enriching a handful of law firms, threatening the financial stability of Florida’s home insurance industry and [driving up annual premiums](#) for millions of homeowners who have never filed a claim.

A newly filed complaint against one of the state’s most notorious insurance attorneys lays out the alleged scheme.

After you agree to accept their help, your visitor will hand you their tablet or cellphone and ask for your signature, saying it’s needed to hire their company. You’ll sign it without scrolling up.

But rather than hiring a repair firm or public insurance adjuster, you’ve actually hired a lawyer. And though you might never be told about it, you are about to become the plaintiff in a lawsuit against your insurance company.

Why should you worry? The lawsuit, and your claim, will be recorded in an insurance database that follows you like a credit report. Your insurer might cancel you for being a bad risk. Your next insurance policy, if you can find one, will likely cost a lot more money.

This is the scheme that home insurance companies say is largely to blame for annual premiums increasing as much as 30% to 40% right now for homeowners across the state.

It’s been run for years by a small number of crooked law firms, about 25 statewide, working with crooked repair contractors and crooked “loss consultants” operating illegally as public insurance adjusters, insurers say.

Scot Strem, a Coral Gables-based insurance attorney, [built an empire this way](#), according to a recent complaint filed with the Florida Supreme Court by the Florida Bar Association, the licensing authority for lawyers who operate in the state. Overseeing 20 attorneys in six offices across the state, Strem [targeted thousands of homeowners](#) he and his cohorts knew wouldn’t ask too many questions, “including the elderly, immigrants, and people of humble means and education,” the complaint says.

They chose targets they thought “were unlikely to recognize the impropriety of the scheme” and more likely to remain “blindfolded” to their unethical conduct, the suit states.

State records show that Stremms filed 8,756 lawsuits against property insurers between May 2014 and June 2020, when the Supreme Court suspended him indefinitely in response to a separate ethics complaint. Of those suits, at least 1,620 were filed in Broward County, 500 in Palm Beach County and 2,700 in Miami-Dade County.

Stremms routinely used people who weren’t employees of his law firm to hunt down new business, the complaint says.

The Florida Bar declined to comment on the case beyond the specific allegations filed with the Supreme Court. Stremms’ attorney, Mark A. Kamilar, did not immediately respond to a request for comment. In response to a separate suit filed by the Florida Bar against Stremms in June that resulted in his indefinite suspension from practicing law, Kamilar said that Stremms strongly disputed the allegations and looked forward to presenting his defense before the Supreme Court.

‘A warning to all the shady players’

Amy Rosen, chief marketing officer for Deerfield Beach-based People’s Trust Insurance Co., said the insurance industry hopes that the cases against Stremms “serve as a warning to all the shady players that they will get caught and we will not let them get away with their deceptive and illegal behavior anymore.” She added, “Over time, we hope this helps to bring premiums back down to the rates commensurate with the actual cost of doing business without any fraud involved.”

Legitimate public adjusters — who by law are licensed to knock on doors and offer to help homeowners file claims and negotiate settlements — are seeing their reputations tainted by illegal solicitors who claim to be public adjusters, said Timothy Cornett, president of the Florida Association of Public Insurance Adjusters. The organization has submitted hundreds of examples to the state Department of Financial Services, which so far has refused to investigate them, association officials say.

The Florida Bar’s most recent complaint against Stremms lays out accounts of homeowners who said they found themselves caught in Stremms’ web after talking with people who promised to work with their insurance companies to get their homes repaired.

Several said they had no idea they had signed a contract hiring Stremms Law Firm to represent them. Others insisted they signed nothing and said that someone else signed their names on Stremms’ paperwork.

According to the complaint:

Manuel Pena of Kissimmee said he spoke after Hurricane Irma with a worker from the firm Contender Claims Consultants Inc. After inspecting Pena’s home, the employee presented Pena with a piece of paper that Pena thought was a repair estimate. Pena signed it, not knowing it was

the signature page for a Strem Law Firm retainer agreement, he said. Later, he received a signed and executed fee agreement, even though he did not want to be represented by an attorney.

Iris Reves, a 75-year-old homeowner in Miami, answered her door to two Contender employees who said they were combing her neighborhood for “homeowners with damages in order to represent them before their insurance companies.” Even though she declined their services and refused to sign their tablet, a few days later she received a Strem fee agreement that she “adamantly denies” having signed.

Martha Vasquez, an Osceola County homeowner, said she thought she was hiring a public adjuster when an employee of Let Us Claim Consultants Insurance Inc. handed her some papers to sign. But the company wasn’t a public adjusting firm, and by signing the employee’s documents, she was actually hiring Strem. “At no time did he ever tell me I was going to be represented by a law firm,” the Bar complaint quoted her as saying.

Let Us Claim Consultants eventually sent repair workers to her home who left behind holes in ceilings and kitchen baseboards and tore up Vasquez’s dishwasher, she said.

Let Us Claim Consultants eventually sent repair workers to her home who left behind holes in ceilings and kitchen baseboards and tore up Vasquez’s dishwasher, she said.

Officials of Contender Claims Consultants and Let Us Claim did not immediately respond to a request for comment about the complaint.

The charges against Strem

The Florida Bar’s complaint accuses Strem of violating several ethics rules, including a ban on direct solicitation of clients by attorneys or anyone acting on their behalf. Other alleged violations include failure to obtain clients’ consent before taking actions on their behalf, and failure to consult personally with clients and abide by clients’ decisions about what the client wants the attorney to accomplish.

Strem also violated rules requiring lawyers to be truthful, the complaint says.

Strem is actually facing four separate Florida Bar complaints to the Supreme Court, which can impose an array of punishments up to and including disbarment. An attorney at his firm is facing a separate complaint by the Florida Bar.

One of the complaints accuses Strem’s firm of hiding from clients the amount of money it negotiated in their cases and keeping for itself far more than the standard 25% it disclosed to clients.

One of Strem’s attorneys told an 85-year-old client and her son that their insurer offered \$30,000, of which \$7,500 would go to the firm, the complaint says. But the firm did not disclose reaching a separate settlement for \$45,000 and keeping the additional \$15,000, according to the complaint.

Similar allegations are outlined in a sprawling lawsuit against Stremms filed in June by Citizens Property Insurance Corp. accusing Stremms and his associates of running a racketeering operation in violation of the federal Racketeer Influenced and Corrupt Organizations Act.

Illegal solicitation of insurance claims is exploding throughout Florida and driving up insurance costs for everyone, says Paul Handerhan, president of the Federal Association for Insurance Reform, a consumer-focused watchdog group based in Fort Lauderdale.

“It’s pretty rampant, the amount of unlicensed solicitation going on, where these third parties are going around and driving business to these attorneys, which is illegal,” he said.

Consumers need to be careful when responding to insurance claim solicitors, said Locke Burt, founder and CEO of Ormond Beach-based Security First Insurance.

“What the lawyers don’t tell them is if they don’t get the insurance company to pay, then the homeowner is on the hook for their legal fees,” Burt said. “It’s in the fine print. They can put a lien against their house that [the insured] won’t find out about until they go to sell their house.”

In addition, any homeowner who files more than three claims within three years becomes uninsurable by state-regulated insurers and even Citizens, the state-run insurer of last resort, Handerhan said. That leaves homeowners vulnerable to “force-placed” insurance by their mortgage holder, which is typically high-cost coverage from unregulated out-of-state carriers.

Predatory attorneys will often turn a single claim into three or four — say, one for damage in each room of the house — so they can file multiple lawsuits to collect multiple legal fees, he said.

When homeowners get a knock on their door, “the first thing you should do is get their card and ask who they are,” Burt said. “If they are not a public adjuster, they’re committing a felony.”

He added: “If they ask you to sign a fee retainer (to hire an attorney), they’re committing a misdemeanor. If he says, ‘I’ll take care of everything and he’s not a public adjuster, that’s a problem. If he says, ‘I’ll get it for you for free,’ that’s a crime. Because no one gets something for nothing. Everyone pays a deductible. Don’t sign something you haven’t read. If you do sign something, get a copy of it.”

He advises consumers: “If you see something, say something. Tell your insurance agent. Tell your insurance company. Tell law enforcement.”

©2020 the Sun Sentinel (Fort Lauderdale, Fla.)

Visit the Sun Sentinel (Fort Lauderdale, Fla.) at www.sun-sentinel.com